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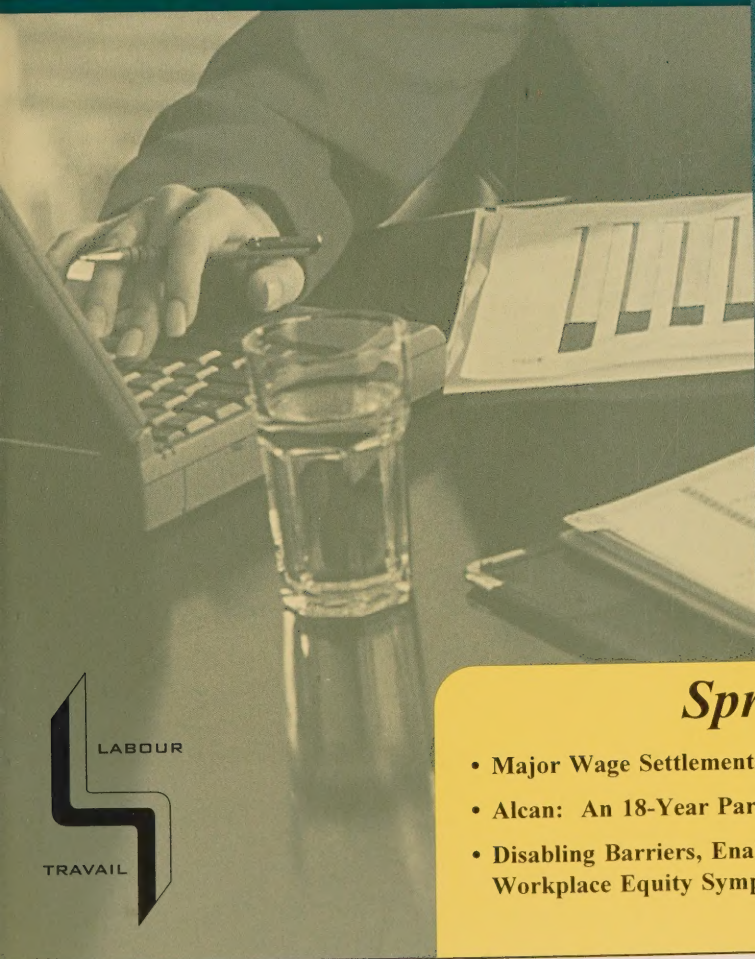
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Workplace GAZETTE

An
Industrial
Relations
Quarterly



Spring 1998

- Major Wage Settlements - Annual and Fourth Quarter 1997
- Alcan: An 18-Year Partnership Agreement!
- Disabling Barriers, Enabling Practices: The National Workplace Equity Symposium for Persons with Disabilities

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An
Industrial
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Labour Program
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165 Hotel de Ville
Place du Portage, Phase II
Hull, Quebec K1A 0J2

1-800-567-6866 or (819) 997-3117

wid-imt@hrdc-drhc.gc.ca

FOREWORD

The Workplace Gazette presents a wide range of collective bargaining information to meet the ever-changing needs of the industrial relations community. Its purpose is to provide a sound base for research in support of the bargaining process.

It includes information and analysis on wage adjustments, collective agreement provisions, innovative workplace practices, work stoppages, upcoming important negotiations, and other related topics.

SECTION 1 includes quarterly/annual data on wage adjustments in major collective agreements, both current and

historical, by public/private sectors, region, jurisdiction, and major industry.

SECTION 2 provides a detailed analysis of selected provisions, those of current interest, found in major collective agreements. Also included is a listing of collective agreement expiries/reopeners, and information on major work stoppages in Canada.

SECTION 3 summarizes innovative practices in the workplace resulting from collective bargaining. It also presents articles, case studies, and other recent trends in industrial relations.

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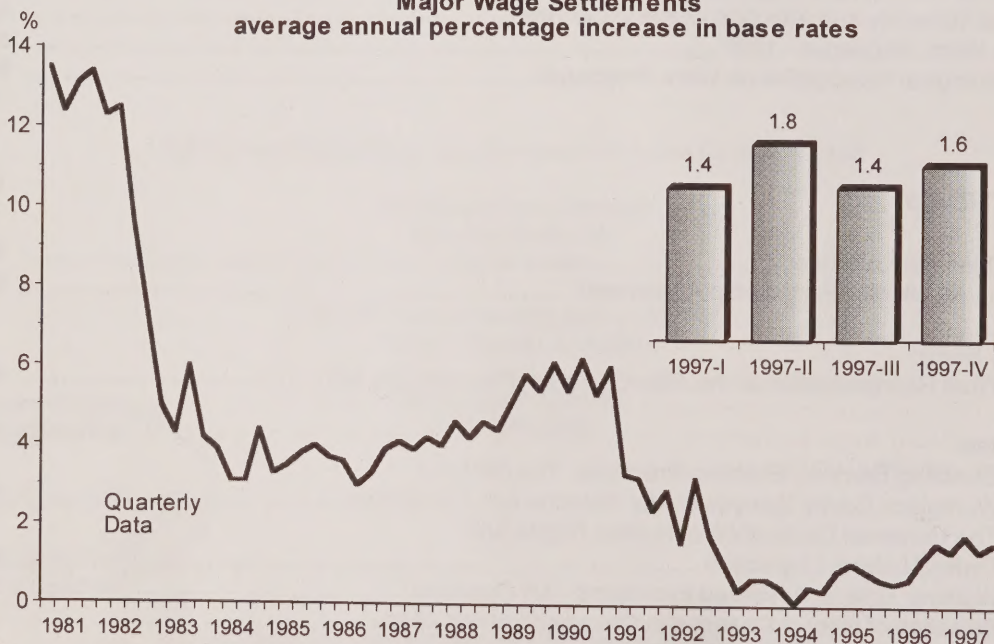
SECTION 1

MAJOR WAGE SETTLEMENTS* - ANNUAL AND FOURTH QUARTER 1997

Annual Summary

- Annual base rate wage adjustments paralleled the annual increase in the Consumer Price Index at 1.6 per cent.
- There were 359 settlements reached with a coverage of 660,060 employees.
- Average contract duration remained relatively lengthy at 31.4 months.
- Public-sector wage adjustments averaged 1.2 per cent in 1997, up from 0.5 per cent in 1996, 0.6 per cent in 1995, and the record-low of 0.0 per cent, in 1994.
- Private-sector adjustments averaged 2.1 per cent in 1997, compared to 1.9 per cent in 1996, 1.4 per cent in 1995, 1.3 per cent in 1994, and the record-low of 0.8 per cent in 1993.
- The proportion of employees subject to wage freezes at 18.2 per cent in 1997, was lower than the 35.2 per cent in 1996, and 25 per cent in 1995.
- Quarterly average wage adjustments were as follows: first, 1.4 per cent; second, 1.8 per cent; third, 1.4 per cent; and fourth, 1.6 per cent.

Chart A
Major Wage Settlements
average annual percentage increase in base rates



Source: Workplace Information Directorate

* Major settlements are those involving bargaining units of 500 or more employees. All wage rate adjustments over the term of these agreements, including those arising from cost-of-living clauses (COLA), are taken into account. The yield of such COLA clauses is estimated on an assumed 2.0 per cent annual increase in the Consumer Price Index.

Overview

Major collective bargaining settlements reached in 1997 provided base rate wage adjustments averaging 1.6 per cent annually over the contract term, an increase from 0.9 per cent in both of the years 1995 and 1996, and from the record low of 0.3 per cent in 1994. However, the 1997 increase remains well below the most recent wage settlements peak of 5.6 per cent in 1990 (see Chart A).

Wage adjustments from the 1997 settlements were approximately twice the rate in the contracts they replaced. There were 359 settlements reached in 1997, with a coverage of 660,060 employees (the lowest employee and settlement coverage in any year since the series commenced in 1978). When the parties to these 1997 settlements previously negotiated, the resulting wage adjustments averaged 0.7 per cent, compared to the 1.6 per cent in their 1997 settlements.

Wage adjustments in the first contract-year averaged an increase of 1.3 per cent in settlements reached in 1997. This is up from a corresponding average adjustment of 0.7 per cent in 1996, 0.4 per cent in 1995 and the record-low first year adjustment of -0.1 per cent in 1994. Since 1992, first-year adjustments have been less than the average annual increase over the contract term, a reversal of the "front-end" loaded settlement patterns of previous years.

The increase in the Consumer Price Index (CPI) was the same as the average annual increase from wage adjustments in settlements reached in the year 1997 at 1.6 per cent. CPI increases in 1996 at 1.6 per cent and 2.1 per cent in 1995 were above the 0.9 per cent average annual increase in settlements reached in each of those years. In thirteen of the twenty years, 1978 to 1997, increases in the CPI have been above average annual wage adjustments from major collective bargaining settlements.

Contract duration in the 1997 settlements averaged 31.4 months, down from the record-long average of 33.0 months in 1995, and 32.8 months in 1996, but well above the average of 18.2 months for settlements reached in 1991. A significant 20.3 per cent of settlements (73 of the 359) reached in 1997 were of over three years in duration. Contract duration in private sector settlements in 1997 averaged 32.8 months, compared to 30.3 months in the public sector.

The increase in the overall level of wage adjustments

between 1996 (0.9 per cent) and 1997 (1.6 per cent), resulted from gains in both the public and private sectors, although wage gains in the private sector remained above those in the public sector, as they have since 1990. Wage adjustments for 303,025 private-sector employees in 151 settlements averaged 2.1 per cent in 1997, compared to 1.2 per cent for 357,035 public-sector employees in 208 settlements.

The proportion of employees (119,975 in 96 settlements) subject to wage freezes (and a single rollback) in these 1997 settlements, at 18.2 per cent, was less than the 35.2 per cent in 1996 and 25 per cent in 1995. In the public sector 91,305 employees (in 77 settlements) were subject to wage freezes (and a single rollback) in 1997 - 25.6 per cent of all public-sector employees in the year's settlements. In the private sector, corresponding figures were: 28,670 employees in 19 settlements, representing 9.5 per cent of all private-sector employees.

On a regional/jurisdictional basis, wage gains in 1997 were largest in Quebec at 2.3 per cent, followed by the Prairie provinces at 2.0 per cent, the Federal jurisdiction at 1.7 per cent, Atlantic Canada and British Columbia, both at 1.3 per cent, and Ontario at 1.1 per cent.

Wage gains in 1997 were largest in the construction sector at 2.6 per cent, followed by the manufacturing sector and the primary sector - both at 2.2 per cent, the trade sector as well as the transportation, communication and other utilities sector, both at 1.6 per cent, the public administration sector at 1.3 per cent, and the community, business and personal services sector at 1.0 per cent.

Major collective bargaining settlements reached in the fourth quarter of 1997 averaged 1.6 per cent for 169,900 in 85 settlements, constituting 26 per cent of all employees and 24 per cent of all settlements in 1997.

First-year adjustments in the fourth-quarter settlements averaged 1.3 per cent, confirming the continuation of the "back-end" loaded pattern of recent years.

Distribution by Size of Wage Adjustment

Accompanying the increase in the overall average wage adjustment between 1996 (0.9 per cent) and 1997 (1.6 per cent), were significant changes in the distribution by size of wage adjustments. In 1997,

18.2 per cent of employees in the year's settlements were subject to wage freezes (and a single rollback), compared to 35.2 per cent of employees in settlements reached in 1996. In 1997, 11.4 per cent of employees received increases of less than 1.0 per cent, compared to 28.4 per cent in 1996. In the 1.0 to less than 2.0 per cent category, there were 34.8 per cent of employees in 1997, compared to only 14.7 per cent in 1996. At the upper end of the distribution, 35.5 per cent of employees received increases of 2.0 per cent or more in 1997, compared to only 21.8 per cent in 1996. Cumulatively, 70.3 per cent of employees in 1997's settlements received wage increases of 1.0 per cent or more, compared to 36.5 per cent in 1996 (see Table A).

The distribution of employees by size of wage adjustments reflects the differences in overall average levels of wage gains between the private (2.1 per cent) and public (1.2 per cent) sectors. Although the private sector accounted for 46 per cent of all employees in the 1997 agreements, that sector accounted for only 24 per cent of all employees subject to wage freezes. The 28,670 private-sector employees with wage freezes represented 9.5 per cent of all private-sector employees, while the 91,305 public-sector employees with wage freezes represented 25.6 per cent of all employees in the sector. Thirty-five per cent of private-sector employees received increases of under 2.0 per cent, compared to 55.8 per cent of public-sector employees. Close to fifty-six per cent (55.6 per cent) of private-sector employees received increases of 2.0 per cent and more, compared to 18.7 per cent of public-sector employees.

Public and Private Sectors

The increase in the overall level of wage adjustments between 1996 and 1997 (0.9 to 1.6 per cent), resulted from gains in both the public and private sector, as well as an increase in the proportion of private-sector settlements between 1996 and 1997 at much higher levels of wage increase. Wage adjustments in the public sector rose from 0.5 per cent in 1996 to 1.2 per cent in 1997, and in the private sector from 1.9 per cent to 2.1 per cent. The proportion of private-sector employees rose from 31.1 per cent in 1996 to 45.9 per cent in 1997 (see Table B and Chart B).

The private-sector average of **2.1 per cent** resulted from 151 agreements with a coverage of 303,025 employees. This marks the fourth year of gradual gains in the private sector; in three of those years, private-sector wage adjustments have been at least modestly above the inflation rate.

In the public sector, the 1997 average wage adjustment of **1.2 per cent** resulted from 208 settlements with a coverage of 357,035 employees, and marks a modest increase from 0.5, 0.6 and 0.0 per cent in 1996, 1995 and 1994, respectively. Since 1993, wage gains in the public sector have been consistently and substantially below the rate of inflation.

The largest concentration of private-sector employees was in Ontario, with 59 agreements providing 93,600 employees with wage gains averaging 1.9 per cent. For 136,260 public-sector employees in 109

Table A
Distribution of Agreements and Employees
by size of wage adjustment, 1997

Adjustment Range	Agreements		Employees	
	Number	Percentage	Number	Percentage
0% (no increase)	96	26.7	119,975	18.2
> 0 % - 0.9 %	50	13.9	75,460	11.4
1.0 % - 1.9 %	102	28.4	229,864	34.8
2.0 % - 2.9 %	69	19.2	119,560	18.1
3.0 % - 3.9 %	33	9.2	101,280	15.3
4.0 % and over	9	2.5	13,920	2.1
Total	359	100.0	660,059	100.0

Source: Workplace Information Directorate

Table B

Major Wage Settlements - Public and Private Sectors, 1978 - 1997

	Public Sector				Private Sector				Both Sectors			
	Agreements	Duration	Employees	Annual Percentage	Agreements	Duration	Employees	Annual Percentage	Agreements	Duration	Employees	Annual Percentage
Year												
1978	369	17.2	885,340	7.1	308	22.6	429,823	8.7	677	18.9	1,315,163	7.6
1979	317	24.3	755,985	9.5	252	27.2	386,950	11.1	569	25.3	1,142,935	10.0
1980	325	26.0	919,370	10.9	233	27.5	298,810	11.7	558	26.3	1,218,180	11.1
1981	289	18.9	577,075	13.1	211	27.3	323,913	12.6	500	21.9	900,988	13.0
1982	318	14.5	862,625	10.4	190	25.2	284,665	9.5	508	17.2	1,147,290	10.2
1983	458	19.6	1,241,575	4.6	200	25.0	302,751	5.5	658	20.6	1,544,326	4.8
1984	276	17.0	635,190	3.9	283	26.1	521,040	3.2	559	21.1	1,156,230	3.6
1985	316	21.7	566,785	3.8	200	30.1	271,835	3.3	516	24.5	838,620	3.7
1986	321	25.3	709,241	3.6	232	26.0	412,215	3.0	553	25.6	1,121,456	3.4
1987	270	29.4	824,298	4.1	208	31.4	287,032	3.8	478	29.9	1,111,330	4.0
1988	301	24.0	698,603	4.0	241	27.2	484,139	5.0	542	25.3	1,182,742	4.4
1989	294	30.0	736,003	5.2	159	28.6	265,783	5.2	453	29.6	1,001,786	5.2
1990	282	27.4	676,230	5.6	225	29.7	470,123	5.7	507	28.4	1,146,353	5.6
1991	365	16.0	1,121,668	3.4	182	29.2	223,975	4.4	547	18.2	1,345,643	3.6
1992	301	21.7	975,874	2.0	195	32.2	330,891	2.6	496	24.3	1,306,765	2.1
1993	345	23.4	1,009,943	0.6	173	25.2	402,468	0.8	518	23.9	1,412,411	0.6
1994	298	26.6	722,712	0.0	134	34.1	222,204	1.3	432	28.4	944,916	0.3
1995	213	31.8	628,530	0.6	186	35.8	278,633	1.4	399	33.0	907,163	0.9
1996	206	31.9	539,558	0.5	163	34.9	243,430	1.9	369	32.8	782,988	0.9
1997	208	30.3	357,035	1.2	151	32.8	303,024	2.1	359	31.4	660,059	1.6
Quarter												
1995 I	41	28.2	138,095	0.6	35	33.8	45,283	1.9	76	29.6	183,378	0.9
II	56	30.6	94,212	0.8	65	35.0	93,186	1.3	121	32.8	187,398	1.1
III	33	29.0	86,984	0.4	59	38.3	113,354	1.2	92	34.2	200,338	0.9
IV	83	34.6	309,239	0.6	27	31.6	26,810	1.6	110	34.3	336,049	0.7
1996 I	51	43.6	120,475	0.2	33	32.4	46,818	1.4	84	40.5	167,293	0.6
II	71	27.8	270,563	0.5	47	38.1	45,929	1.6	118	29.3	316,492	0.7
III	47	28.9	74,889	0.5	48	30.0	64,415	1.9	95	29.4	139,304	1.2
IV	37	31.1	73,631	0.7	35	38.3	86,268	2.3	72	35.0	159,899	1.6
1997 I	51	29.6	87,400	1.0	29	36.5	39,880	2.2	80	31.7	127,280	1.4
II	66	26.1	94,455	0.8	54	26.1	143,254	2.5	120	26.1	237,709	1.8
III	34	31.2	44,500	0.9	40	35.8	80,670	1.6	74	34.1	125,170	1.4
IV	57	33.6	130,680	1.6	28	47.1	39,220	1.8	85	36.7	169,900	1.6

Source: Workplace Information Directorate

settlements in Ontario (also the largest concentration of public sector-employees), wage adjustments averaged an increase of 0.5 per cent. Wage rates were frozen for 73,410 of these employees, the vast majority in the education sector; these 73,410 employees constituted 80 per cent of all public-sector employees with wage freezes.

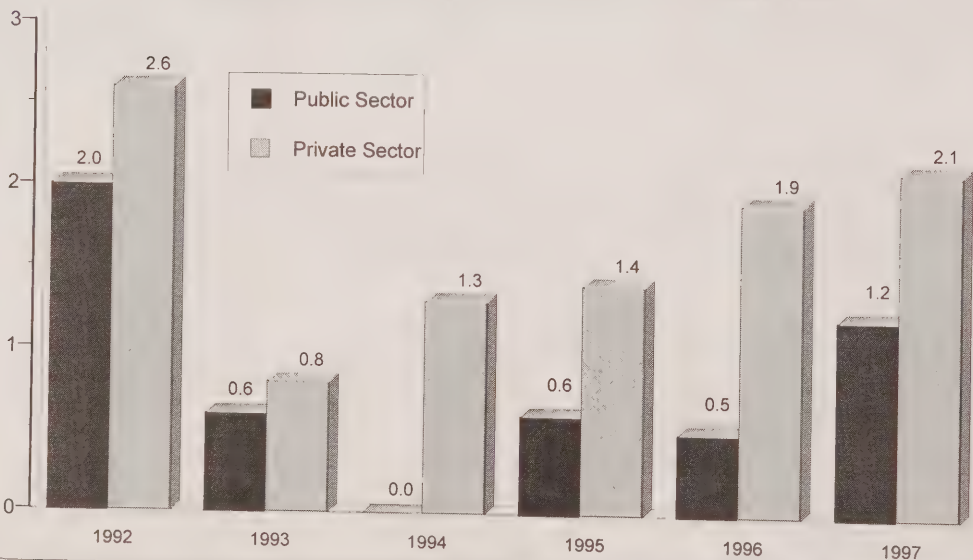
In Quebec, 70,960 private-sector employees in 20 agreements received wage gains averaging 2.6 per cent. They included 42,590 construction workers with wage increases averaging 3.0 per cent. In the public sector 13,260 employees in 13 agreements received wage adjustments averaging 1.3 per cent.

In the Federal jurisdiction, 44,810 private-sector employees in 16 agreements received wage adjustments averaging 2.0 per cent. Adjustments ranged from wage freezes for 4,820 Canadian Pacific engineers, to a high of 3.3 per cent for 1,590 Laurentian Bank administrative and service employees. For 12,360 Air Canada employees in two contracts, wage gains averaged 3.0 per cent. In ten public-sector settlements in the Federal jurisdiction, wage adjustments averaged 1.5 per cent for 73,600 employees. They included: a legislated settlement with

wage gains averaging 1.7 per cent for 47,900 mail carriers and inside employees of Canada Post; a 1.0 per cent increase to 5,000 Canada Post supervisory and administrative employees; and a 18-month wage freeze for 7,000 Canada Post postmasters and assistants. For 7,600 computer systems employees in the Federal Public Service, base wage rate increases averaged 2.3 per cent annually in a two-year agreement.

For 44,460 private-sector employees in the Prairie provinces, 24 agreements provided wage increases averaging 2.5 per cent. They included 20,460 construction workers with wage increases averaging 3.2 per cent, and 10,500 Canada Safeway employees at 1.5 per cent, both in Alberta. In the public sector in the Prairie provinces, 100,575 employees in 55 agreements received wage adjustments averaging 1.7 per cent. A majority, 55,550 health and education sector employees in Alberta, received wage adjustments averaging 2.3 per cent. In Saskatchewan, 13,300 health sector employees in two agreements gained wage increases averaging 0.8 per cent. For 13,520 employees of the Government of Manitoba, wage increases averaged 1.3 per cent.

Chart B
Major Wage Settlements - Public and Private Sectors
average annual percentage adjustment in base rates



Source: Workplace Information Directorate

British Columbia's 15 private-sector agreements provided wage adjustments averaging 1.5 per cent for 31,780 employees; they included 22,840 forest products employees with wage adjustments averaging 1.6 per cent. For 19,860 public-sector employees in British Columbia, wage adjustments in 14 settlements averaged 0.9 per cent. Included were 7,110 education and health sector employees with wage adjustments averaging 1.4 per cent, and 7,840 municipal employees in Vancouver and other cities, at 0.8 per cent.

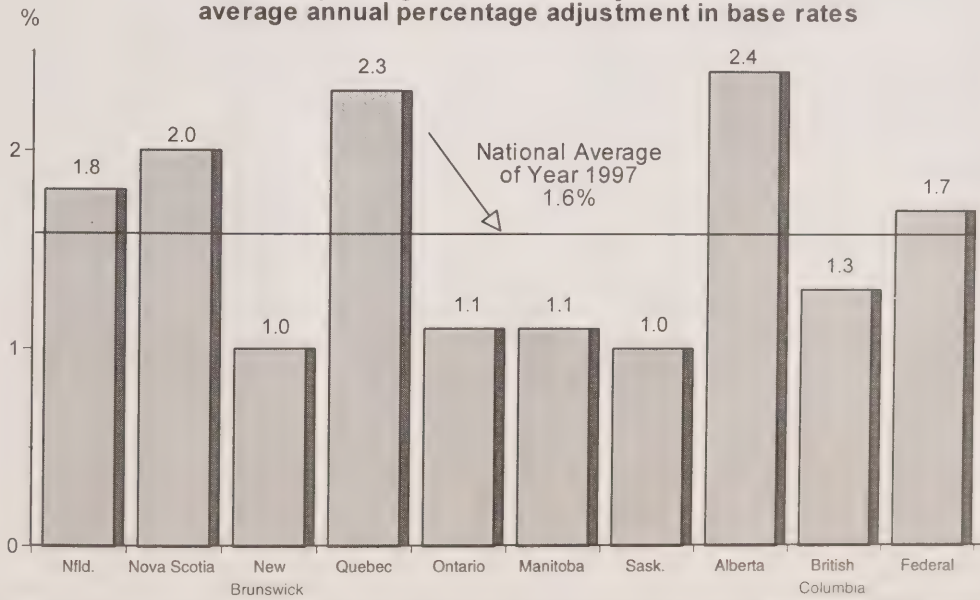
In Atlantic Canada, 9,714 employees in ten private-sector agreements received wage adjustments averaging 1.1 per cent. They included 3,000 Fishery Products International employees in Nova Scotia with wage gains averaging 2.0 per cent, 2,700 New Brunswick construction workers with wage freezes, 1,200 Trenton Works employees in Nova Scotia at 2.1 per cent, and 1,000 Amalco Foods (Dominion Stores) employees at 0.7 per cent annually in a 68-month contract. In seven public-sector settlements in Atlantic Canada, 10,300 employees received wage increases averaging 1.5 per cent. Among them were 6,210 public administration employees of the Government of New Brunswick at 1.5 per cent, and 2,200 health sector employees in that province at 1.0 per cent.

Regions/Jurisdictions

On a regional/jurisdictional basis, wage gains were larger in 1997 than in 1996, except in Atlantic Canada where there was a decline, and in Ontario where average wage adjustments were the same in both years. Average wage adjustments at 1.1 per cent for 229,860 employees in Ontario, were the lowest among regions/jurisdictions in 1997.

In Atlantic Canada, the average of 1.3 per cent in 1997 wage adjustments for 20,014 employees was down from 1.7 per cent in 1996, while in British Columbia the average adjustment of 1.3 per cent for 51,640 employees in 1997 was up from 0.6 per cent in 1996. In the Federal jurisdiction, wage adjustments for 118,410 employees at 1.7 per cent in 1997 were up from 0.5 per cent in 1996. For 145,035 employees in the Prairie provinces, wage adjustments in 1997 averaged 2.0 per cent, up from 0.6 per cent in 1996. Wage adjustments in 1997 were highest in Quebec, where 87,400 employees received wage adjustments averaging 2.3 per cent, up from 1.6 per cent in 1996 (see Table C and Chart C).

Chart C
Major Wage Settlements by Jurisdiction
average annual percentage adjustment in base rates



Source: Workplace Information Directorate

Table C

Major Wage Settlements by Jurisdiction, by Year and Quarter
average annual percentage adjustment in base rates

	1995	1996	1997	1997			
	%	%	%	1	2	3	4
				%	%	%	%
Both Sectors							
CANADA	0.9	0.9	1.6	1.4	1.8	1.4	1.6
Atlantic	1.0	1.7	1.3	1.5	1.1	3.6	1.1
Newfoundland	0.7	2.0	1.8	2.0	0.0	3.6	0.7
P.E.I.	1.7	1.7	-	-	-	-	-
Nova Scotia	1.2	1.5	2.0	-	-	-	2.0
New Brunswick	1.0	1.7	1.0	0.9	1.8	-	1.0
Quebec	0.8	1.6	2.3	2.0	2.8	1.1	1.4
Ontario	0.4	1.1	1.1	0.6	1.3	1.2	1.0
Prairies	0.4	0.6	2.0	1.8	1.8	2.2	2.2
Manitoba	0.4	0.2	1.1	0.5	0.0	1.3	1.4
Saskatchewan	1.9	1.1	1.0	1.6	0.9	-	1.0
Alberta	-0.3	0.9	2.4	2.2	2.2	2.4	2.8
B.C.	1.3	0.6	1.3	1.0	1.8	1.5	0.4
Multi-Prov.	1.1	2.5	2.8	-	2.5	0.0	3.2
Federal	1.0	0.5	1.7	2.0	1.3	1.5	1.8
Public Sector							
CANADA	0.6	0.5	1.2	1.0	0.8	0.9	1.6
Atlantic	0.7	1.4	1.5	1.1	-	3.6	1.4
Newfoundland	0.0	0.6	3.6	-	-	3.6	-
P.E.I.	-	1.7	-	-	-	-	-
Nova Scotia	-	-	1.8	-	-	-	1.8
New Brunswick	1.1	1.5	1.3	1.1	-	-	1.4
Quebec	0.7	1.1	1.3	1.9	0.7	0.7	0.7
Ontario	0.3	0.3	0.5	0.2	0.6	0.7	0.9
Prairies	0.3	0.4	1.7	1.8	1.3	1.3	2.1
Manitoba	0.3	0.0	1.0	0.1	0.0	1.3	1.3
Saskatchewan	1.9	0.9	0.9	-	0.9	-	1.0
Alberta	-0.7	0.7	2.2	2.2	1.7	1.4	2.7
B.C.	1.2	0.5	0.9	0.4	0.6	1.3	0.6
Multi-Prov.	-	-	-	-	-	-	-
Federal	0.9	0.1	1.5	0.9	0.4	0.0	1.8
Private Sector							
CANADA	1.4	1.9	2.1	2.2	2.5	1.6	1.8
Atlantic	1.3	2.1	1.1	1.7	1.1	-	0.7
Newfoundland	2.3	2.6	1.5	2.0	0.0	-	0.7
P.E.I.	1.7	-	-	-	-	-	-
Nova Scotia	1.2	1.5	2.1	-	-	-	2.1
New Brunswick	0.4	2.0	0.4	0.0	1.8	-	0.0
Quebec	1.6	2.2	2.6	2.2	3.0	1.2	1.6
Ontario	1.6	2.5	1.9	2.5	2.1	1.6	1.4
Prairies	0.7	2.0	2.5	1.8	2.4	2.5	2.9
Manitoba	0.9	2.2	1.9	2.0	-	-	1.8
Saskatchewan	2.5	2.0	1.5	1.6	1.0	-	-
Alberta	0.3	1.8	2.6	-	2.5	2.5	3.6
B.C.	1.3	0.9	1.5	1.3	2.7	1.6	0.0
Multi-Prov.	1.1	2.5	2.8	-	2.5	0.0	3.2
Federal	1.3	0.7	2.0	2.3	2.1	1.5	3.2

Source: Workplace Information Directorate

Industry

Until 1996, the uptrend in private-sector settlement increases since 1992 had been led by the manufacturing sector. However, between 1996 and 1997, wage adjustments increased in all industry sectors except manufacturing where there was a decline (see Chart D).

The most significant increase in 1997 was in the construction sector, in which wage adjustments in 1997 averaged 2.6 per cent for 99,850 workers, compared to 0.3 per cent (for 10,550 workers) in 1996. The increases in the construction sector were led by Alberta's 20,460 workers' increase of 3.2 per cent, and Quebec's 42,590 workers at 3.0 per cent; in Ontario, 26,700 construction workers received wage adjustments averaging 1.7 per cent.

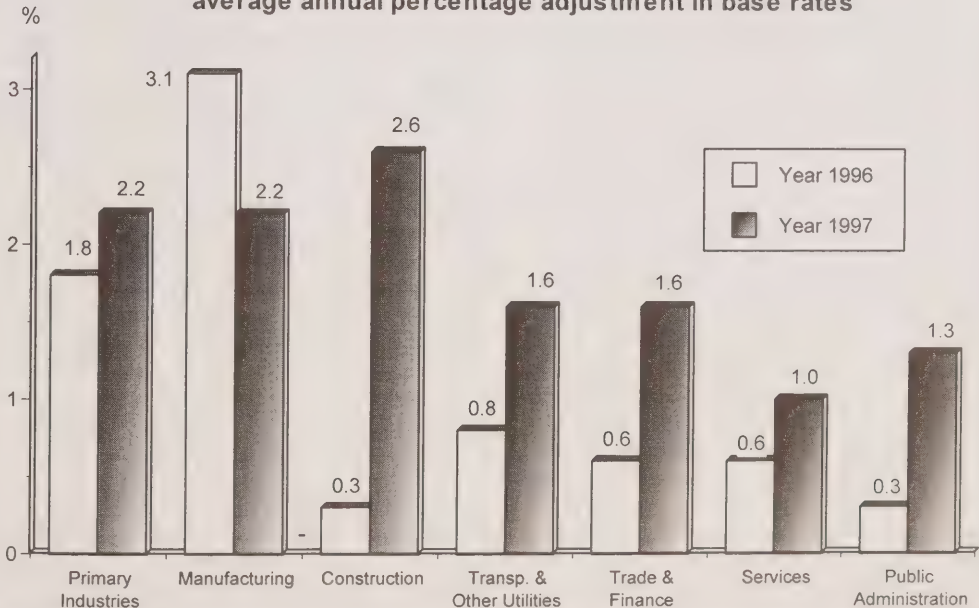
In the Manufacturing sector, wage adjustments for 69,960 employees averaged 2.2 per cent in 1997, down from 3.1 per cent (for 110,500 employees) in 1996. The largest concentration of manufacturing employees in 1997 was in British Columbia, with 23,860 employees receiving wage adjustments averaging 1.6 per cent, (the vast majority, 22,840,

being forest products workers). In Ontario 20,510 employees in 26 manufacturing agreements received wage increases averaging 2.8 per cent. Quebec's 13 manufacturing settlements provided wage increases averaging 2.6 per cent to 13,930 employees. In the Prairie provinces, 5,860 employees in six settlements received average wage increase of 2.5 per cent, and in Atlantic Canada, 5,800 employees in five manufacturing settlements received wage adjustments averaging 1.7 per cent.

In the Primary sector, wage increases in 1997 averaged 2.2 per cent for 9,965 employees in seven agreements, up from 1.8 per cent (for 10,520 employees) in 1996. The majority of employees in 1997's settlements were in Ontario, with 6,630 employees in three agreements at an average increase of 2.2 per cent, including 4,700 Inco production employees at 2.2 per cent, and 1,430 Falconbridge employees at 2.3 per cent.

In the Transportation, Communication and other Utilities sector, wage adjustments in 1997 averaged 1.6 per cent for 127,600 employees in 32 settlements, up from 0.8 per cent (for 134,910 employees) in 1996. The vast majority of employees in the 1997

Chart D
Major Wage Settlements by Industry
average annual percentage adjustment in base rates



Source: Workplace Information Directorate

settlements, 104,390, were in the Federal jurisdiction with wage adjustments also averaging 1.6 per cent. (See the Federal jurisdiction in earlier discussion on Public and Private sectors.)

Wage adjustments for 60,380 employees in 29 Trade and Finance agreements reached in 1997 also averaged 1.6 per cent, up from 0.6 per cent (for 39,710 employees) in 1996. Of these 1997 settlements, five with a coverage of 5,170 employees were in the public sector and received adjustments averaging 0.6 per cent. Four were liquor retail stores in three provinces, with increases ranging from 0.6 to 1.0 per cent; the fifth was a wage freeze for 1,040 Manitoba Public Insurance office and technical employees. The 55,210 private-sector employees in 24 Trade and Finance agreements received wage adjustments averaging 1.7 per cent. The largest concentration - 31,420 employees with 30,020 in the retail food sector - was in Ontario, with wage increases also averaging 1.7 per cent. In Alberta, 10,500 Canada Safeway employees gained increases of 1.5 per cent, and the Calgary Co-op Association's 3,200 employees, 2.2 per cent. For 3,000 Westfair Foods' employees in British Columbia, wage increases averaged 2.7 per cent.

The largest proportion of employees in an industry sector was in Community Business and Personal Services, in which 223,590 employees in 157 settlements gained the lowest average adjustment of 1.0 per cent in 1997, but still above the 1996 average of 0.6 per cent (for 325,225 employees). Over one-half of these 1997 employees - 113,470 employees in 99 settlements - were in Ontario, and received wage adjustments averaging 0.4 per cent. The vast majority, 109,720, were in the Education sector with wage adjustments averaging 0.3 per cent. In Alberta, 55,550 employees in the Services sector received wage adjustments averaging 2.3 per cent; they comprised 34,460 health-sector employees at 2.4 per cent, and 21,090 education-sector employees at 2.3 per cent.

In the Public Administration sector, 68,715 employees in 45 settlements in 1997 received wage adjustments averaging 1.3 per cent, up from 0.3 per cent (for 151,585 employees) in 1996. In Ontario, 23,460 employees in 17 settlements in the sector received wage adjustments averaging 1.3 per cent in 1997; 17,310 of these employees were in the municipal sector with wage adjustments averaging 1.4 per cent. In the Prairie provinces, 20,015 Public Administration employees received wage adjustments averaging 1.2 per cent in 12 settlements; among them were

12,050 employees of the Government of Manitoba with wage increases of 1.3 per cent.

Duration of Agreements

Although the average duration of contracts signed in 1997 at 31.4 months was down from the 1996 average of 32.8 months and the record-long average duration of 33.0 months in 1995, the 1997 average duration remains relatively high compared to the average of 18.2 months in 1991. Moreover, in no year before 1995 was the average duration of contracts at or above 30 months.

The average duration of contracts in the public sector has fluctuated from a low of 14.5 months in 1982, to a high of 31.9 months in 1996, falling to 30.3 months in 1997. In more recent times, the average duration of contracts in the public sector rose in every year from 16.0 months in 1991 to the 1996 peak of 31.9 months.

In the private sector, contract duration has fluctuated from a low of 22.6 months in 1978 to a high of 35.8 months in 1995, falling to 34.9 months in 1996, and 32.8 months in 1997.

The increase in private-sector contract duration between 1991 at 29.2 months to the peak in 1995 was punctuated by a drop in 1993. With the exception of 1989, private sector contracts have been of longer duration than those in the public sector in every year since the wage settlement series commenced in 1978.

The decline in contract length between 1996 and 1997 resulted from a decrease in the proportion of contracts of over-one-year to two years' duration, and in the over-two to three years' duration. In the former category, the decline was from 31.4 per cent to 25.9 per cent, and in the latter from 37.7 per cent to 33.7 per cent. As well, the proportion of shorter-term contracts of under one year's duration increased from 16.8 per cent in 1996 to 20.1 per cent in 1997. Significantly, however, the proportion of contracts with over three years in duration rose from 14.1 per cent in 1996 to 20.3 per cent in 1997; in 1991, contracts of over three years' duration constituted just 1.8 per cent of that year's settlements.

On an industry basis, contract duration was longest in 1997 in the Trade and Finance sector at 48.6 months, up from 33.8 months in 1996. In other industries contract duration in 1997, with 1996 averages in parentheses were: Public Administration 39.0 months (37.2); Manufacturing, 38.7 months

(35.7); Primary Industries, 32.1 months (43.2); Transportation, Communication and other Utilities, 30.5 months (31.2); Community, Business and Personal Services, 28.6 months (29.9); Construction, 18.3 months (38.7).

Fourth Quarter - 1997

Major collective bargaining settlements reached in the **fourth quarter of 1997** provided base-rate wage adjustments averaging **1.6 per cent** annually over the contract term, a slight increase from 1.4 per cent in the third quarter, but the same as the 1.6 per cent average for the year 1997.

The 85 settlements reached during the fourth quarter covered 169,900 employees with an average duration of 36.7 months. When the parties to these settlements previously negotiated - with contract duration averaging 27 months - the resulting wage adjustments averaged 0.4 per cent, compared to the 1.6 per cent average in their fourth-quarter settlements.

Twenty of the 85 agreements covering 17,820 employees (10 per cent of the total number of employees), provided for wage freezes. The majority of employees (58 per cent or 99,220 employees) covered in fourth-quarter settlements received wage increases of 1.0 to 1.9 per cent. Approximately 25 per cent of employees covered received wage increases above 2.0 per cent.

The 57 **public-sector** settlements, covering 130,680 employees, provided for wage adjustments averaging **1.6 per cent**. Quarterly average wage increases have been consistently below those in the private sector since the first quarter of 1993. Over one-third of public-sector employees covered (37 per cent) in this quarter's settlements were from the Canada Post legislated settlement providing 47,900 postal employees with wage increases averaging 1.7 per cent over the 36-month contract, a significant contribution in determining the public-sector wage increase of the fourth quarter.

In the **private sector**, 28 agreements covering 39,220 employees provided an average increase of **1.8 per cent**. Ten of these fourth-quarter private-sector settlements (covering 18.7 per cent of employees) were subject to wage freezes (Skeena Cellulose employees in British Columbia were subject to a 10 per cent wage cut at the beginning of the contract to be reinstated on the last effective day of the contract). However the largest concentration of employees (46

per cent) in seven contracts were provided with increases in the 1.0 to 1.9 per cent range. The largest increase, at 4.2 per cent, was provided to 3,500 electricians with the Electrical Contractors Association of Alberta.

On an industry basis, wage adjustments ranged from an increase of 1.1 per cent in the **Trade** sector (nine agreements covering 14,500 employees), to a high of 2.2 per cent in **Construction** (11 agreements covering 13,000 employees). The largest concentration of employees in the fourth quarter's settlements was in the **Transportation, Communication and other Utilities** sector (seven agreements covering 55,290 employees), with wage adjustments averaging 1.6 per cent (including the Canada Post settlement). In the **Services** sector, 32 agreements provided 47,210 employees with wage adjustments also averaging 1.6 per cent. Wage adjustments averaged 1.7 per cent in both **Public Administration** (18 agreements covering 34,210 employees) and in **Manufacturing** (seven agreements covering 4,820 employees). A single agreement in the **Primary Industries** provided 870 employees with Delta Catalytic Industrial Services with a wage increase averaging 1.2 per cent.

On a regional/jurisdictional basis, the largest gains in the fourth quarter were in the multi-provincial group with three Pipe-Line Construction Association settlements providing 4,500 workers with wage increases averaging 3.2 per cent. The lowest wage adjustments were in British Columbia at 0.5 per cent (seven agreements covering 10,090 employees). In Saskatchewan, a single settlement involving 600 employees with the Liquor Board averaged 1.0 per cent. In Alberta, wage adjustments averaged 2.8 per cent (the second largest increase after the multi-province figure), and in Manitoba, wage increases averaged 1.4 per cent. In the Prairie provinces as a whole (28 agreements covering 42,250 employees), wage adjustments averaged 2.2 per cent. In Ontario, wage adjustments averaged 1.0 per cent (25 agreements covering 30,620 employees), and in Quebec five agreements provided 12,350 employees with wage increases of 1.4 per cent. In Atlantic Canada, wage adjustments averaged 1.1 per cent (11 agreements covering 12,210 employees). The largest concentration of employees was in the Federal jurisdiction with 57,880 employees in six agreements receiving wage increases averaging 1.8 per cent.

MAJOR SETTLEMENTS REACHED IN THE FOURTH QUARTER OF 1997

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Primary Industries (1 agreement)	870	1.2	1.2	12	
Delta Catalytic Industrial Services Ltd., service & maintenance empls., Mildred Lake (Alta.)	870	1.2	1.2	12	1998-12-31
Manufacturing (7 agreements)	4,820	1.7	0.3	50.7	
Bauer Inc., plant & maintenance empls., Saint-Jérôme (QC)	500	1.7	1.3	60	2002-11-30
Kodak Canada Inc., plant & maintenance empls., Metropolitan Toronto (Ont.)	620	2.5	2.0	48	2001-11-13
New Holland Canada Limited (Versatile Farm Equipment Operations), plant & maintenance empls., Winnipeg (Man.)	560	3.7*	4.1	36	2000-09-30
Quality Meat Packers Limited, plant & maintenance empls., Metropolitan Toronto (Ont.)	700	0.0	0.0	12	1998-10-31
Skeena Cellulose Inc., Skeena Pulp Operations, mill empls., Prince Rupert (B.C.)	640	0.0	-10.0	96	2005-04-30
Sydney Steel Corporation, plant & maintenance empls., Sydney (N.S.)	600	1.8	0.0	72	1999-10-02
Trenton Works Inc., Trenton (N.S.)	1,200	2.1*	3.1	43	2000-10-31
Construction (11 agreements)	13,000	2.2	2.5	33	
Construction Labour Relations Association of British Columbia, roofers, province-wide (excluding Vancouver Island) (B.C.)	600	0.0	0.0	12	1998-04-30
Electrical Contractors Association of Alberta, electricians, province-wide (Alta.)	3,500	4.2	4.4	24	1999-04-30
Mechanical Contractors Association of N.B. Inc., plumbers and pipefitters, province-wide (N.B.)	600	0.0	0.0	12	1998-06-30
Moncton-NorthEast Construction Association Inc., carpenters, Northumberland County (N.B.)	500	0.0	0.0	84	1999-06-30
Ottawa Construction Association, carpenters, Ottawa (Ont.)	500	0.0	0.0	12	1998-04-30
Pipe Line Contractors Association of Canada, labourers, Canada-wide	2,000	3.2	3.9	36	2000-04-30
Pipe Line Contractors Association of Canada, operating engineers, Canada-wide	2,000	3.2	3.8	36	2000-04-30
Pipe Line Contractors Association of Canada, truck drivers, Canada-wide	500	3.2	3.8	36	2000-04-30
Saint John Construction Association Incorporated, carpenters, Saint John County (N.B.)	1,000	0.0	0.0	84	1999-06-30
Saint John Construction Association Incorporated, carpenters, province-wide (N.B.)	600	0.0	0.0	36	1999-06-30
Sheet Metal Air Conditioning Contractors National Association, sheet metal workers, province-wide (excluding Vancouver Island) (B.C.)	1,200	0.0	0.0	12	1998-04-30
Transportation, Communication & Other Utilities (7 agreements)	55,290	1.6	1.4	34.9	
AT&T Canada LDS, technical empls., Canada-wide	720	3.2	3.0	36	2000-12-31
British Columbia Ferry Corporation, licensed personnel, Coast (B.C.)	4,300	0.5	0.0	24	1998-10-31
Canada Post Corporation, mail carriers, Canada-wide	47,900	1.7*	1.5	36	2000-07-31
City of Mississauga, bus drivers, Mississauga (Ont.)	540	0.0	0.0	12	1998-03-31
Manitoba Hydro, office and clerical empls., province-wide (Man.)	750	1.2	1.0	39	2000-03-29
New Brunswick Power Corporation, technical empls., province-wide (N.B.)	570	0.7	0.0	48	1999-09-30
St. Lawrence Seaway Authority, licensed & unlicensed personnel, Lachine Canal (QC)	510	2.0	2.0	24	1998-12-31

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Trade and Finance (9 agreements)	14,500	1.1	0.6	48.5	
Amalco Foods (Dominion Stores Division), retail empls., St. John's (Nfld.)	1,000	0.7	0.0	68	2003-07-31
Canada Safeway Limited, retail empls., Thunder Bay (Ont.)	570	1.4	0.0	48	2001-09-08
Liquor Board of Saskatchewan, office and clerical empls., province-wide (Sask.)	600	1.0	0.0	36	1998-03-31
Manitoba Liquor Control Commission, administrative services empls., province-wide (Man.)	700	1.0	1.0	24	1999-03-31
New Dominion Stores (Division of A&P), retail empls., province-wide (Ont.)	5,400	1.4	1.1	48	2001-07-07
Okanagan Federated Shippers Labour Relations Association, plant & maintenance empls., Kelowna (B.C.)	1,000	0.0	0.0	12	1998-08-31
Oshawa Foods, Division of the Oshawa Group Limited, retail empls., Southern (Ont.)	850	2.3	1.8	48	2001-07-07
Société des Alcools du Québec, office and clerical empls., province-wide (QC)	2,280	0.6	0.0	42	1998-12-31
Westfair Foods Ltd., retail empls., Winnipeg (Man.)	2,100	1.3	0.0	77	2004-03-31
Community, Business & Personal Services (32 agreements)	47,210	1.6	1.4	34.4	
Atomic Energy of Canada Limited, engineers, Mississauga (Ont.)	550	1.5	2.2	34	1999-12-31
Board of Governors of Ryerson Polytechnic University, professors, Toronto (Ont.)	550	0.0	0.0	24	1998-06-30
Board of Trustees of School District No. 7, custodial, Edmonton (Alta.)	600	1.0	2.0	24	1998-08-31
Board of Trustees of School District No. 7, office and clerical empls., Edmonton (Alta.)	1,200	2.2	2.5	24	1998-08-31
Board of Trustees of the Calgary Board of Education, elementary teachers, Calgary (Alta.)	5,620	2.4	1.4	24	1998-08-31
Board of Trustees of the Rocky View School Division No. 41, elementary teachers, Rocky View (Alta.)	640	6.1	6.1	12	1998-08-31
Calgary Roman Catholic Separate School District No. 1, support empls., Calgary (Alta.)	660	1.8	2.0	36	1999-08-31
Capital Health Authority, nurses, Edmonton (Alta.)	1,990	3.0	2.6	24	1999-03-31
Capital Region Health Authority No. 10, para-medical technical empls., Edmonton and area (Alta.)	1,280	2.8	4.5	32	2000-03-31
Capital Region Health Authority No. 10, para-medical professional empls., Edmonton and area (Alta.)	910	2.8	4.5	32	2000-03-31
Foothills Provincial General Hospital, non-medical empls., Calgary (Alta.)	1,660	2.8	2.8	12	1998-03-31
Government of British Columbia, nurses, province-wide (B.C.)	1,250	0.4	0.0	33	1998-12-31
Government of Manitoba, health and social care professionals, province-wide (Man.)	1,470	1.3	1.0	36	2000-03-24
Government of the Yukon Territory, elementary teachers, territory-wide (Y.T.)	600	1.0	1.0	12	1998-06-30
Hamilton Board of Education, elementary teachers, Hamilton (Ont.)	1,620	0.0	0.0	24	1998-08-31
London City Board of Education, office and clerical empls., London (Ont.)	630	0.0	0.0	33	1998-06-30
Metropolitan Separate School Board, secondary teachers, Metropolitan Toronto (Ont.)	2,200	2.3	2.3	12	1998-08-31
New Brunswick Nursing Homes Inc., health service-non-professionals, province-wide (N.B.)	2,200	1.0	0.0	60	2000-10-15
Northern Alberta Institute of Technology, administrative services empls., Edmonton (Alta.)	570	4.1	4.1	12	1998-07-31
Northumberland-Clarington Board of Education, elementary teachers, Cobourg (Ont.)	940	0.0	0.0	12	1998-08-31
Ottawa Board of Education, elementary teachers, Ottawa (Ont.)	1,290	0.0	0.0	24	1998-08-31
Ottawa Board of Education, secondary teachers, Ottawa (Ont.)	750	0.0	0.0	24	1998-08-31
Oxford County Board of Education, elementary teachers, Oxford County (Ont.)	530	0.0	0.0	24	1998-08-31

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY/MM/DD
Community, Business & Personal Services (continued)					
Provincial Health Authorities of Alberta, para-medical technical empls., province-wide (excluding Edmonton) (Alta.)	2,640	2.6	4.5	34	2000-03-31
Provincial Health Authorities of Alberta, para-medical professional empls., province-wide (excluding Edmonton) (Alta.)	770	2.6	4.4	34	2000-03-31
Security & Investigation Agency of Eastern Quebec Inc., security guards, province-wide (QC)	8,020	1.5	0.0	69	2002-06-30
Station Mont-Tremblant, Société en commandite, hotel or restaurant empls., Mont-Tremblant (QC)	920	2.7	2.5	36	2000-10-31
Textile Rental Institute of Ontario, laundry and dry cleaners, Metropolitan Toronto (Ont.)	550	1.5	2.0	48	2000-12-31
University of Guelph, office and clerical empls., Guelph (Ont.)	850	1.3	0.0	37	1999-04-30
Waterloo County Board of Education, plant & maintenance empls., Waterloo County (Ont.)	500	0.6	0.0	20	1998-08-31
Waterloo County Board of Education, support empls., Waterloo County (Ont.)	550	0.6*	0.0	20	1998-08-31
York Region Roman Catholic Separate School Board, elementary teachers, York County (Ont.)	2,700	0.0	0.0	24	1998-08-31
Public Administration (18 agreements)	34,210	1.7	1.3	37.9	
City of Edmonton, police officers, Edmonton (Alta.)	1,110	2.4	0.0	48	2000-01-01
City of Laval, inside empls., Laval (QC)	630	1.3*	1.0	48	1999-12-31
City of London, inside empls., London (Ont.)	670	1.0	0.0	36	1999-12-31
City of North York, firefighters, North York (Ont.)	640	1.0	1.0	9	1996-12-31
Government of Canada, computer operators, Canada-wide	7,600	2.3	2.5	24	1999-04-30
Government of Manitoba, administrative services empls., province-wide (Man.)	1,220	1.3	1.0	36	2000-03-24
Government of Manitoba, office and clerical empls., province-wide (Man.)	3,120	1.3	1.0	36	2000-03-24
Government of Manitoba, correctional officers, province-wide (Man.)	980	1.3	1.0	36	2000-03-24
Government of Manitoba, scientific and other professionals, province-wide (Man.)	960	1.3	1.0	36	2000-03-24
Government of Manitoba, scientific and other professionals, province-wide (Man.)	1,270	1.3	1.0	36	2000-03-24
Government of Manitoba, social workers, province-wide (Man.)	2,220	1.3	1.0	36	2000-03-24
Government of Manitoba, general tradesmen (non-construction), province-wide (Man.)	2,280	1.3	1.0	36	2000-03-24
Government of New Brunswick, health and social care professionals, province-wide (N.B.)	1,140	1.3	0.0	60	2000-08-15
Government of New Brunswick, office and clerical empls., province-wide (N.B.)	2,800	1.9	2.9	48	2000-12-31
Government of Ontario, police officers, province-wide (Ont.)	4,700	1.7	0.0	60	1999-12-31
Ontario Housing Corporation and all Local Housing Authorities, administrative services empls., province-wide (Ont.)	930	0.0	0.0	12	1998-12-31
Ottawa-Carleton Regional Police Services Board, police officers, Ottawa (Ont.)	840	3.1	2.5	36	1999-12-31
Vancouver Police Board, police officers, Vancouver (B.C.)	1,100	1.3	1.0	36	1999-12-31
Agreements with COLA (5 agreements)	50,790	1.7	1.5	36.2	
Agreements without COLA (80 agreements)	119,110	1.6	1.3	36.9	
All agreements (85 agreements)	169,900	1.6	1.3	36.7	

* Agreements with cost-of-living allowances (COLA) calculated at a projected 2.0% inflation rate.

Source: Workplace Information Directorate

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* Cost of Living Allowance (COLA) formulae are quantified using a combination of the latest relevant Consumer Price Index (CPI) data available and/or a projected CPI increase of 2 per cent. Consult the Technical Notes for information on the calculation of the yield from COLA increases, and definitions of the industry and sector divisions used in this publication.

Table A-1

Table A-1
Effective Wage Increase in Base Rates, by Year and Quarter

	1995	1996	1997	1997			
				1	2	3	4
	%	%	%	%	%	%	%
All Industries							
Agts. without COLA	0.8	0.6	1.6	1.3	1.8	1.4	1.6
Agts. with COLA	1.4	2.7	1.8	2.4	1.9	1.7	1.7
All Agreements	0.9	0.9	1.6	1.4	1.8	1.4	1.6
Commercial Sector							
Agts. without COLA	1.3	1.0	2.0	1.9	2.4	1.7	1.5
Agts. with COLA	1.4	2.7	1.9	2.4	1.9	1.7	1.8
All Agreements	1.3	1.6	2.0	2.0	2.3	1.7	1.6
Non-Commercial Sector							
Agts. without COLA	0.5	0.4	1.1	0.9	0.8	0.8	1.7
Agts. with COLA	1.4	2.1	1.0	-	-	-	1.0
All Agreements	0.5	0.4	1.1	0.9	0.8	0.8	1.7

Table A-2

Table A-2
Number of Agreements and Employees Covered, by Year and Quarter

	1995		1996		1997		1997							
	Agts.	Empls.	Agts.	Empls.	Agts.	Empls.	1		2		3		4	
	(000's)		(000's)		(000's)		Agts.	Empls.	Agts.	Empls.	Agts.	Empls.	Agts.	Empls.
	(000's)		(000's)		(000's)		(000's)		(000's)		(000's)		(000's)	
All Industries														
Agts. without COLA	366	813.6	322	666.7	329	566.0	71	119.1	109	211.2	69	116.5	80	119.1
Agts. with COLA	33	93.6	47	115.2	30	94.1	9	8.2	11	26.5	5	8.6	5	50.8
All Agreements	399	907.2	369	783.0	359	660.1	80	127.3	120	237.7	74	125.2	85	169.9
Commercial Sector														
Agts. without COLA	187	308.6	160	234.1	148	305.8	26	43.6	47	135.0	38	76.2	37	51.1
Agts. with COLA	30	87.0	44	109.2	28	93.0	9	8.2	11	26.5	5	8.6	3	49.7
All Agreements	217	395.6	204	343.2	176	398.8	35	51.8	58	161.5	43	84.8	40	100.7
Non-Commercial Sector														
Agts. without COLA	179	505.0	162	433.7	181	260.2	45	75.5	62	76.2	31	40.3	43	68.1
Agts. with COLA	3	6.6	3	6.1	2	1.1	-	-	-	-	-	-	2	1.1
All Agreements	182	511.5	165	439.7	183	261.3	45	75.5	62	76.2	31	40.3	45	69.2

Table A-3

Table A-3
Effective Wage Increase in Base Rates, Fourth Quarter 1997

	Number of Agreements	Number of Employees (000's)	Effective Wage Increase		Average Duration of Agreements Months
			Annual Compound	First 12 Months	
			%	%	Months
All Industries					
Agts. without COLA	80	119.1	1.6	1.3	36.9
Agts. with COLA	5	50.8	1.7	1.5	36.2
All Agreements	85	169.9	1.6	1.3	36.7
Commercial Sector					
Agts. without COLA	37	51.1	1.5	0.9	44.7
Agts. with COLA	3	49.7	1.8	1.6	36.2
All Agreements	40	100.7	1.6	1.2	40.5
Non-Commercial Sector					
Agts. without COLA	43	68.1	1.7	1.5	31.1
Agts. with COLA	2	1.1	1.0	0.6	35.6
All Agreements	45	69.2	1.7	1.5	31.2

Table A-4

Table A-4
Effective Wage Increase in Base Rates, by Effective Period, Fourth Quarter 1997

	Non-COLA Agreements						COLA Agreements						All Agreements					
	1st			2nd			1st			2nd			1st			2nd		
	Agts.	Empls.	(000's)	%	%	Average Annual Compound	Agts.	Empls.	(000's)	%	%	Average Annual Compound	Agts.	Empls.	(000's)	%	%	Average Annual Compound
All Industries																		
1-yr	16	14.2	1.3	-	-	1.3	-	-	-	-	-	-	16	14.2	1.3	-	-	1.3
2-yr	16	34.0	1.6	1.9	-	1.7	1	0.5	0.0	1.5	-	0.6	17	34.5	1.5	1.9	-	1.7
3-yr	48	70.9	1.1	1.5	1.6	1.6	4	50.3	1.6	1.8	1.9	1.7	52	121.2	1.3	1.6	1.7	1.7
all	80	119.1	1.3	1.6	1.6	1.6	5	50.8	1.5	1.8	1.9	1.7	85	169.9	1.3	1.7	1.7	1.6
Commercial Sector																		
1-yr	8	6.0	0.2	-	-	0.2	-	-	-	-	-	-	8	6.0	0.2	-	-	0.2
2-yr	4	9.0	1.9	2.2	-	2.1	-	-	-	-	-	-	4	9.0	1.9	2.2	-	2.1
3-yr	25	36.0	0.8	1.7	1.6	1.5	3	49.7	1.6	1.8	1.9	1.8	28	85.7	1.2	1.8	1.8	1.7
all	37	51.1	0.9	1.8	1.6	1.5	3	49.7	1.6	1.8	1.9	1.8	40	100.7	1.2	1.8	1.8	1.6
Non-Commercial Sector																		
1-yr	8	8.2	2.1	-	-	2.1	-	-	-	-	-	-	8	8.2	2.1	-	-	2.1
2-yr	12	25.0	1.4	1.8	-	1.6	1	0.5	0.0	1.5	-	0.6	13	25.5	1.4	1.8	-	1.6
3-yr	23	34.9	1.5	1.3	1.6	1.7	1	0.6	1.0	1.0	1.5	1.3	24	35.5	1.5	1.3	1.6	1.7
all	43	68.1	1.5	1.5	1.6	1.7	2	1.1	0.6	1.2	1.5	1.0	45	69.2	1.5	1.5	1.6	1.7

Table B-1

Table B-1
Effective Wage Increase in Base Rates, by Major Industry Division, by Year and Quarter

	1995	1996	1997	1997			
				1	2	3	4
	%	%	%	%	%	%	%
All Industries							
Agts. without COLA	0.8	0.6	1.6	1.3	1.8	1.4	1.6
Agts. with COLA	1.4	2.7	1.8	2.4	1.9	1.7	1.7
All Agreements	0.9	0.9	1.6	1.4	1.8	1.4	1.6
Primary Industries							
Agts. without COLA	2.5	1.7	1.9	-	2.7	1.5	1.2
Agts. with COLA	-	1.9	2.2	2.8	2.2	2.3	-
All Agreements	2.5	1.8	2.2	2.8	2.2	2.1	1.2
Manufacturing							
Agts. without COLA	2.1	2.7	1.9	2.0	2.4	1.8	1.1
Agts. with COLA	2.7	3.3	2.9	2.6	3.1	3.3	2.6
All Agreements	2.4	3.1	2.2	2.2	2.8	1.9	1.7
Construction							
Agts. without COLA	1.0	0.1	2.6	-	2.7	2.0	2.2
Agts. with COLA	1.7	1.7	-	-	-	-	-
All Agreements	1.0	0.3	2.6	-	2.7	2.0	2.2
Transportation, Communication & Other Utilities							
Agts. without COLA	1.2	0.6	1.7	2.0	1.8	1.5	0.9
Agts. with COLA	0.7	2.0	1.5	0.7	0.0	1.0	1.7
All Agreements	1.1	0.8	1.6	1.9	1.4	1.4	1.6
Trade-Finance, Insurance, Real Estate							
Agts. without COLA	0.8	0.7	1.7	1.6	2.0	1.7	1.1
Agts. with COLA	-	0.3	1.2	-	-	1.2	-
All Agreements	0.8	0.6	1.6	1.6	2.0	1.6	1.1
Community, Business, Personal Services							
Agts. without COLA	0.5	0.6	1.0	0.9	0.8	0.8	1.7
Agts. with COLA	0.9	0.8	1.5	-	1.6	-	0.6
All Agreements	0.5	0.6	1.0	0.9	0.9	0.8	1.6
Public Administration							
Agts. without COLA	0.6	0.2	1.3	1.0	0.7	1.2	1.7
Agts. with COLA	1.5	2.3	1.3	-	-	-	1.3
All Agreements	0.6	0.3	1.3	1.0	0.7	1.2	1.7

Table B-2

Table B-2

Number of Agreements and Employees Covered, by Major Industry Division, by Year and Quarter

	1995				1996				1997			
	1995		1996		1996		1997		1997		1997	
	Agts.	Empls.	Agts.	Empls.	Agts.	Empls.	Agts.	Empls.	Agts.	Empls.	Agts.	Empls.
	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)
All Industries	366	813.6	322	667.7	329	566.0	71	119.1	109	211.2	69	116.5
Agts. without COLA	33	93.6	47	115.2	30	94.1	9	8.2	11	26.5	5	8.6
Agts. with COLA	339	907.2	369	783.0	359	660.1	80	127.3	120	237.7	74	125.2
All Agreements												85
Primary Industries	4	3.1	8	7.0	3	2.3	-	-	1	0.9	1	0.5
Agts. without COLA	-	-	3	3.5	4	7.7	1	0.8	2	5.5	1	1.4
Agts. with COLA	4	3.1	11	10.5	7	10.0	1	0.8	3	6.4	2	1.9
All Agreements												0.9
Manufacturing	47	40.2	48	34.1	40	49.4	13	13.0	11	7.1	11	26.3
Agts. without COLA	25	31.0	31	76.4	18	20.5	7	6.2	7	11.0	2	1.5
Agts. with COLA	72	71.1	79	110.5	58	70.0	20	19.2	18	18.1	13	27.8
All Agreements												7
Construction	67	124.8	12	9.5	31	99.9	-	-	16	81.3	4	5.6
Agts. without COLA	2	1.1	2	1.1	-	-	-	-	-	-	-	-
Agts. with COLA	69	125.9	14	10.6	31	99.9	-	-	16	81.3	4	5.6
All Agreements												11
Transportation, Communication & Other Utilities	40	97.7	60	116.7	28	70.8	8	25.9	9	23.5	5	14.0
Agts. without COLA	3	54.9	6	18.2	4	56.8	1	1.2	1	7.0	1	0.7
Agts. with COLA	43	152.6	66	134.9	32	127.6	9	27.1	10	30.5	6	14.7
All Agreements												7
Trade-Finance, Insurance & Real Estate	12	14.8	15	30.3	28	55.4	4	4.1	7	19.0	8	17.7
Agts. without COLA	-	-	1	9.4	1	5.0	-	-	-	-	1	5.0
Agts. with COLA	12	14.8	16	39.7	29	60.4	4	4.1	7	19.0	9	22.7
All Agreements												9
Community, Business, & Personal Services	156	416.0	135	324.1	155	220.2	39	66.5	58	71.3	27	35.7
Agts. without COLA	2	1.1	2	1.1	2	3.4	-	-	1	2.9	-	-
Agts. with COLA	158	417.1	137	325.2	157	223.6	39	66.5	59	74.2	27	35.7
All Agreements												32
Public Administration	40	117.0	44	146.1	44	68.1	7	9.6	7	8.2	13	16.7
Agts. without COLA	1	5.5	2	5.5	1	0.6	-	-	-	-	-	-
Agts. with COLA	41	122.5	46	151.6	45	68.7	7	9.6	7	8.2	13	16.7
All Agreements												18
												34.2

Table B-3

Table B-3
Effective Wage Increase in Base Rates, by Major Industry Division, Fourth Quarter 1997

	Number of Agreements	Number of Employees (000's)	Effective Wage Increase		Average Duration of Agreements Months
			Annual Compound %	First 12 Months %	
All Industries					
Agts. without COLA	80	119.1	1.6	1.3	36.9
Agts. with COLA	5	50.8	1.7	1.5	36.2
All Agreements	85	169.9	1.6	1.3	36.7
Primary Industries					
Agts. without COLA	1	0.9	1.2	1.2	12.0
Agts. with COLA	-	-	-	-	-
All Agreements	1	0.9	1.2	1.2	12.0
Manufacturing					
Agts. without COLA	5	3.1	1.1	-1.5	56.5
Agts. with COLA	2	1.8	2.6	3.4	40.8
All Agreements	7	4.8	1.7	0.3	50.7
Construction					
Agts. without COLA	11	13.0	2.2	2.5	33.0
Agts. with COLA	-	-	-	-	-
All Agreements	11	13.0	2.2	2.5	33.0
Transportation, Communication & Other Utilities					
Agts. without COLA	6	7.4	0.9	0.5	27.7
Agts. with COLA	1	47.9	1.7	1.5	36.0
All Agreements	7	55.3	1.6	1.4	34.9
Trade-Finance, Insurance & Real Estate					
Agts. without COLA	9	14.5	1.1	0.6	48.5
Agts. with COLA	-	-	-	-	-
All Agreements	9	14.5	1.1	0.6	48.5
Community, Business & Personal Services					
Agts. without COLA	31	46.7	1.7	1.4	34.6
Agts. with COLA	1	0.5	0.6	0.0	20.0
All Agreements	32	47.2	1.6	1.4	34.4
Public Administration					
Agts. without COLA	17	33.6	1.7	1.3	37.7
Agts. with COLA	1	0.6	1.3	1.0	48.0
All Agreements	18	34.2	1.7	1.3	37.9

Table B-4

Table B-4
Effective Wage Increase in Base Rates by Duration of Agreement, Fourth Quarter 1997

	0-17 Months			18-29 Months			30 Months and Over		
	Number of Agreements	Number of Employees (000's)	Wage Increase %	Number of Agreements	Number of Employees (000's)	Wage Increase %	Number of Agreements	Number of Employees (000's)	Wage Increase %
All Industries									
Agts. without COLA	16	14.2	1.3	16	34.0	1.7	48	70.9	1.6
Agts. with COLA	-	-	-	1	0.5	0.6	4	50.3	1.7
All Agreements	16	14.2	1.3	17	34.5	1.7	52	121.2	1.7
Primary Industries									
Agts. without COLA	1	0.9	1.2	-	-	-	-	-	-
Agts. with COLA	-	-	-	-	-	-	-	-	-
All Agreements	1	0.9	1.2	-	-	-	-	-	-
Manufacturing									
Agts. without COLA	1	0.7	0.0	-	-	-	4	2.4	1.5
Agts. with COLA	-	-	-	-	-	-	2	1.8	2.6
All Agreements	1	0.7	0.0	-	-	-	6	4.1	2.0
Construction									
Agts. without COLA	4	2.9	0.0	1	3.5	4.2	6	6.6	2.2
Agts. with COLA	-	-	-	-	-	-	-	-	-
All Agreements	4	2.9	0.0	1	3.5	4.2	6	6.6	2.2
Transportation, Communication & Other Utilities									
Agts. without COLA	1	0.5	0.0	2	4.8	0.7	3	2.0	1.8
Agts. with COLA	-	-	-	-	-	-	1	47.9	1.7
All Agreements	1	0.5	0.0	2	4.8	0.7	4	49.9	1.7
Trade-Finance, Insurance & Real Estate									
Agts. without COLA	1	1.0	0.0	1	0.7	1.0	7	12.8	1.2
Agts. with COLA	-	-	-	-	-	-	-	-	-
All Agreements	1	1.0	0.0	1	0.7	1.0	7	12.8	1.2
Community, Business & Personal Services									
Agts. without COLA	6	6.6	2.5	11	17.4	1.3	14	22.7	1.7
Agts. with COLA	-	-	-	1	0.5	0.6	-	-	-
All Agreements	6	6.6	2.5	12	17.9	1.3	14	22.7	1.7
Public Administration									
Agts. without COLA	2	1.6	0.4	1	7.6	2.3	14	24.4	1.6
Agts. with COLA	-	-	-	-	-	-	1	0.6	1.3
All Agreements	2	1.6	0.4	1	7.6	2.3	15	25.0	1.6

Table C-1

Table C-1
Effective Wage Increase in Base Rates, by Jurisdiction, by Year and Quarter

	1995	1996	1997	1997			
				1	2	3	4
	%	%	%	%	%	%	%
Newfoundland							
Agts. without COLA	0.7	2.0	1.8	2.0	0.0	3.6	0.7
Agts. with COLA	-	2.2	-	-	-	-	-
All Agreements	0.7	2.0	1.8	2.0	0.0	3.6	0.7
Prince Edward Island							
Agts. without COLA	1.7	1.7	-	-	-	-	-
Agts. with COLA	-	-	-	-	-	-	-
All Agreements	1.7	1.7	-	-	-	-	-
Nova Scotia							
Agts. without COLA	0.6	1.5	1.8	-	-	-	1.8
Agts. with COLA	1.5	1.7	2.1	-	-	-	2.1
All Agreements	1.2	1.5	2.0	-	-	-	2.0
New Brunswick							
Agts. without COLA	0.9	1.7	1.0	0.9	-	-	1.0
Agts. with COLA	1.7	-	1.8	-	1.8	-	-
All Agreements	1.0	1.7	1.0	0.9	1.8	-	1.0
Quebec							
Agts. without COLA	0.7	1.3	2.3	2.0	2.8	0.8	1.4
Agts. with COLA	2.2	2.8	2.7	2.1	2.9	3.5	1.3
All Agreements	0.8	1.6	2.3	2.0	2.8	1.1	1.4
Ontario							
Agts. without COLA	0.8	0.4	1.0	0.4	1.2	1.2	1.0
Agts. with COLA	2.9	2.7	2.4	3.0	2.8	1.6	0.6
All Agreements	1.0	1.1	1.1	0.6	1.3	1.2	1.0
Manitoba							
Agts. without COLA	0.3	0.1	1.1	0.5	0.0	1.3	1.3
Agts. with COLA	1.5	2.9	1.6	0.7	-	-	3.7
All Agreements	0.4	0.2	1.1	0.5	0.0	1.3	1.4
Saskatchewan							
Agts. without COLA	1.9	1.1	0.9	0.6	0.9	-	1.0
Agts. with COLA	-	-	2.4	2.4	-	-	-
All Agreements	1.9	1.1	1.0	1.6	0.9	-	1.0

Table C-1(continued)

Table C-1(continued)									
Effective Wage Increase in Base Rates, by Jurisdiction, by Year and Quarter									
	1995	1996	1997	1997					
	%	%	%	1	2	3	4		
Alberta									
Agts. without COLA	-0.3	0.9	2.4	2.2	2.2	2.4	2.8		
Agts. with COLA	-	-	-	-	-	-	-		
All Agreements	-0.3	0.9	2.4	2.2	2.2	2.4	2.8		
British Columbia									
Agts. without COLA	1.3	0.6	1.3	1.0	1.8	1.5	0.4		
Agts. with COLA	1.7	2.2	-	-	-	-	-		
All Agreements	1.3	0.6	1.3	1.0	1.8	1.5	0.4		
More Than One Province									
Agts. without COLA	1.1	2.3	2.8	-	2.5	0.0	3.2		
Agts. with COLA	1.7	2.6	-	-	-	-	-		
All Agreements	1.1	2.5	2.8	-	2.5	0.0	3.2		
Provincial Total									
Agts. without COLA	0.7	0.6	1.5	1.1	1.8	1.4	1.5		
Agts. with COLA	2.4	2.7	2.4	2.3	2.8	1.8	2.0		
All Agreements	0.8	1.0	1.6	1.2	1.9	1.4	1.6		
Federal Administration									
Agts. without COLA	-	0.0	2.3	-	-	-	2.3		
Agts. with COLA	-	-	-	-	-	-	-		
All Agreements	-	0.0	2.3	-	-	-	2.3		
Labour Code (Industrial Relations)									
Agts. without COLA	1.2	0.4	1.8	2.0	1.8	1.5	2.0		
Agts. with COLA	0.7	1.9	1.5	2.8	0.5	1.0	1.7		
All Agreements	1.0	0.5	1.7	2.0	1.3	1.5	1.7		
Federal Total									
Agts. without COLA	1.2	0.4	1.9	2.0	1.8	1.5	2.2		
Agts. with COLA	0.7	1.9	1.5	2.8	0.5	1.0	1.7		
All Agreements	1.0	0.5	1.7	2.0	1.3	1.5	1.8		
Total									
Agts. without COLA	0.8	0.6	1.6	1.3	1.8	1.4	1.6		
Agts. with COLA	1.4	2.7	1.8	2.4	1.9	1.7	1.7		
All Agreements	0.9	0.9	1.6	1.4	1.8	1.4	1.6		

Table C-2

Table C-2
Number of Agreements and Employees Covered, by Jurisdiction, by Year and Quarter

	1995			1996			1997			1998			1999		
	Agts.		Empls. (000's)	Agts.		Empls. (000's)	Agts.		Empls. (000's)	Agts.		Empls. (000's)	Agts.		Empls. (000's)
	Agts.	Empls.		Agts.	Empls.		Agts.	Empls.		Agts.	Empls.		Agts.	Empls.	
Newfoundland	4	7.1	8	6.5	4	5.2	1	3.0	1	0.5	1	0.7	1	1.0	
Agts. without COLA	-	-	1	1.5	-	-	-	-	-	-	-	-	-	-	
Agts. with COLA	4	7.1	9	8.0	4	5.2	1	3.0	1	0.5	1	0.7	1	1.0	
All Agreements															
Prince Edward Island	1	0.5	6	6.9	-	-	-	-	-	-	-	-	-	-	
Agts. without COLA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Agts. with COLA	1	0.5	6	6.9	-	-	-	-	-	-	-	-	-	-	
All Agreements															
Nova Scotia	2	1.5	7	5.4	1	0.6	-	-	-	-	-	-	1	0.6	
Agts. without COLA	4	3.1	2	1.1	1	1.2	-	-	-	-	-	-	1	1.2	
Agts. with COLA	6	4.5	9	6.5	2	1.8	-	-	-	-	-	-	2	1.8	
All Agreements															
New Brunswick	5	8.5	9	13.8	10	12.2	2	2.8	-	-	-	-	8	9.4	
Agts. without COLA	1	0.6	-	-	1	0.8	-	-	1	0.8	-	-	-	-	
Agts. with COLA	6	9.1	9	13.8	11	13.0	2	2.8	1	0.8	-	-	8	9.4	
All Agreements															
Quebec	65	316.0	43	62.5	27	78.1	8	10.8	9	47.7	6	7.9	4	11.7	
Agts. without COLA	11	12.5	8	14.2	6	9.3	2	1.8	2	5.9	1	1.0	1	0.6	
Agts. with COLA	76	328.5	51	76.7	33	87.4	10	12.6	11	53.6	7	8.9	5	12.4	
All Agreements															
Ontario	128	196.8	119	205.6	154	209.1	35	47.0	60	79.8	35	52.2	24	30.1	
Agts. without COLA	12	17.2	25	88.1	14	20.7	4	3.4	6	9.9	3	6.9	1	0.5	
Agts. with COLA	140	214.0	144	293.7	168	229.9	39	50.4	66	89.7	38	59.2	25	30.6	
All Agreements															
Manitoba	24	43.9	28	50.5	19	26.2	6	5.4	1	1.4	1	2.3	11	17.1	
Agts. without COLA	1	5.5	3	3.0	2	1.8	1	1.2	-	-	-	-	1	0.6	
Agts. with COLA	25	49.4	31	53.6	21	27.9	7	6.6	1	1.4	1	2.3	12	17.6	
All Agreements															
Saskatchewan	8	15.1	17	34.9	6	15.9	1	0.9	4	14.5	-	-	1	0.6	
Agts. without COLA	-	-	-	-	1	1.0	1	1.0	-	-	-	-	-	-	
Agts. with COLA	8	15.1	17	34.9	7	16.9	2	1.9	4	14.5	-	-	1	0.6	
All Agreements															

Table C-2 (continued)

Table C-2 (continued)
Number of Agreements and Employees Covered, by Jurisdiction, by Year and Quarter

	1995			1996			1997			1997			4	
	Agts.	Empls.	(000's)	Agts.	Empls.	(000's)	Agts.	Empls.	(000's)	Agts.	Empls.	(000's)		
Alberta	25	37.8	22	24.0	51	100.2	8	25.3	23	43.5	5	7.4	15	24.0
Agts. without COLA	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agts. with COLA	25	37.8	22	24.0	51	100.2	8	25.3	23	43.5	5	7.4	15	24.0
All Agreements														
British Columbia	64	88.6	28	179.0	29	51.6	3	2.3	3	5.5	16	33.8	7	10.1
Agts. without COLA	1	0.6	2	2.2	-	-	-	-	-	-	-	-	-	-
Agts. with COLA	65	89.2	30	181.2	29	51.6	3	2.3	3	5.5	16	33.8	7	10.1
All Agreements														
More Than One Province	10	12.6	1	0.6	7	7.7	-	-	3	2.7	1	0.5	3	4.5
Agts. without COLA	1	0.5	1	0.9	-	-	-	-	-	-	-	-	-	-
Agts. with COLA	11	13.1	2	1.6	7	7.7	-	-	3	2.7	1	0.5	3	4.5
All Agreements														
Provincial Total	336	728.4	288	589.7	308	506.8	64	97.4	104	195.6	65	104.8	75	109.1
Agts. without COLA	31	40.0	42	111.0	25	34.8	8	7.4	9	16.5	4	7.9	4	2.9
Agts. with COLA	367	768.3	330	700.7	333	541.6	72	104.8	113	212.1	69	112.7	79	112.0
All Agreements														
Federal administration	-	-	1	0.6	1	7.6	-	-	-	-	-	-	1	7.6
Agts. without COLA	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agts. with COLA	-	-	1	0.6	1	7.6	-	-	-	-	-	-	1	7.6
All Agreements														
Labour Code (Industrial Relations)	30	85.2	33	77.4	20	51.5	7	21.7	5	15.7	4	11.7	4	2.4
Agts. without COLA	2	53.6	5	4.2	5	59.3	1	0.8	2	9.9	1	0.7	1	47.9
Agts. with COLA	32	138.8	38	81.6	25	110.8	8	22.5	7	25.6	5	12.4	5	50.3
All Agreements														
Federal Total	30	85.2	34	78.0	21	59.1	7	21.7	5	15.7	4	11.7	5	10.0
Agts. without COLA	2	53.6	5	4.2	5	59.3	1	0.8	2	9.9	1	0.7	1	47.9
Agts. with COLA	32	138.8	39	82.2	26	118.4	8	22.5	7	25.6	5	12.4	6	57.9
All Agreements														
Total	366	813.6	322	667.7	329	566.0	71	119.1	109	211.2	69	116.5	80	119.1
Agts. without COLA	33	93.6	47	115.5	30	94.1	9	8.2	11	26.5	5	8.6	5	50.8
Agts. with COLA	399	907.2	369	783.0	359	660.1	80	127.3	120	237.7	74	125.2	85	169.9
All Agreements														

Table D-1

Table D-1
Effective Wage Increase in Base Rates, by Public and Private Sector, by Year and Quarter

	1995	1996	1997	1997			
				1	2	3	4
	%	%	%	%	%	%	%
Public Sector							
Agts. without COLA	0.6	0.4	1.1	1.0	0.9	0.9	1.5
Agts. with COLA	0.8	2.0	1.5	0.7	0.0	-	1.7
All Agreements	0.6	0.5	1.2	1.0	0.8	0.9	1.6
Federal Administration							
Agts. without COLA	-	0.0	2.3	-	-	-	2.3
Agts. with COLA	-	-	-	-	-	-	-
All Agreements	-	0.0	2.3	-	-	-	2.3
Crown Corporations							
Agts. without COLA	1.3	1.1	1.0	0.9	1.0	0.0	1.7
Agts. with COLA	0.8	-	1.5	-	0.0	-	1.7
All Agreements	1.0	1.1	1.4	0.9	0.4	0.0	1.7
Provincial Administration							
Agts. without COLA	0.9	0.1	1.2	0.8	1.6	0.6	1.2
Agts. with COLA	0.0	2.0	-	-	-	-	-
All Agreements	0.8	0.3	1.2	0.8	1.6	0.6	1.2
Local Administration							
Agts. without COLA	0.4	0.5	1.3	1.5	0.7	1.2	1.6
Agts. with COLA	1.5	2.2	0.9	0.7	-	-	1.3
All Agreements	0.6	0.8	1.3	1.5	0.7	1.2	1.6
Education, Health and Welfare							
Agts. without COLA	0.5	0.5	1.0	0.9	0.8	0.8	1.7
Agts. with COLA	0.9	0.0	0.6	-	-	-	0.6
All Agreements	0.5	0.5	1.0	0.9	0.8	0.8	1.7
Telephone, Electric and Water							
Agts. without COLA	0.0	0.6	1.2	-	-	1.3	1.0
Agts. with COLA	-	-	-	-	-	-	-
All Agreements	0.0	0.6	1.2	-	-	1.3	1.0
Private Sector							
Agts. without COLA	1.2	1.3	2.1	2.1	2.5	1.6	1.7
Agts. with COLA	2.5	2.8	2.4	2.6	2.6	1.7	2.6
All Agreements	1.4	1.9	2.1	2.2	2.5	1.6	1.8

Table D-2

Number of Agreements and Employees Covered, by Public and Private Sector, by Year and Quarter

	1995				1996				1997				1997			
	Agts.		Empls.		Agts.		Empls.		Agts.		Empls.		Agts.		Empls.	
	(000's)		(000's)		(000's)		(000's)		(000's)		(000's)		(000's)		(000's)	
Public Sector																
Agts. without COLA	208	568.4	201	518.9	203	299.8	50	86.2	65	87.5	34	44.5	54	81.7		
Agts. with COLA	5	60.2	5	20.6	5	57.2	1	1.2	1	7.0	-	-	3	49.0		
All Agreements	213	628.5	206	539.6	208	357.0	51	87.4	66	94.5	34	44.5	57	130.7		
Federal Administration																
Agts. without COLA	-	-	1	0.6	1	7.6	-	-	-	-	-	-	1	7.6		
Agts. with COLA	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
All Agreements	-	-	1	0.6	1	7.6	-	-	-	-	-	-	1	7.6		
Crown Corporations																
Agts. without COLA	11	26.7	6	17.1	6	10.5	2	3.9	1	5.0	1	0.6	2	1.1		
Agts. with COLA	1	47.9	-	-	2	54.9	-	-	1	7.0	-	-	1	47.9		
All Agreements	12	74.6	6	17.1	8	65.4	2	3.9	2	12.0	1	0.6	3	49.0		
Provincial Administration																
Agts. without COLA	27	103.0	35	136.8	24	41.8	2	3.3	2	6.1	4	2.3	16	30.1		
Agts. with COLA	1	5.7	1	14.0	-	-	-	-	-	-	-	-	-	-		
All Agreements	28	108.7	36	150.8	24	41.8	2	3.3	2	6.1	4	2.3	16	30.1		
Local Administration																
Agts. without COLA	27	39.6	27	41.6	31	41.3	8	13.1	7	8.3	10	15.0	6	4.9		
Agts. with COLA	1	5.5	3	6.1	2	1.8	1	1.2	-	-	-	-	1	0.6		
All Agreements	28	45.1	30	47.7	33	43.2	9	14.3	7	8.3	10	15.0	7	5.5		
Education, Health and Welfare																
Agts. without COLA	142	398.3	117	294.9	138	195.0	38	66.0	55	68.0	18	24.3	27	36.7		
Agts. with COLA	2	1.1	1	0.5	1	0.5	-	-	-	-	-	-	1	0.5		
All Agreements	144	399.4	118	295.5	139	195.5	38	66.0	55	68.0	18	24.3	28	37.2		
Telephone, Electric and Water																
Agts. without COLA	1	0.8	15	27.8	3	3.6	-	-	-	-	1	2.3	2	1.3		
Agts. with COLA	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
All Agreements	1	0.8	15	27.8	3	3.6	-	-	-	-	1	2.3	2	1.3		
Private Sector																
Agts. without COLA	158	245.3	121	148.8	126	266.2	21	32.9	44	123.8	35	72.0	26	37.5		
Agts. with COLA	28	33.4	42	94.6	25	36.9	8	7.0	10	19.5	5	8.6	2	1.8		
All Agreements	186	278.6	163	243.4	151	303.0	29	39.9	54	143.3	40	80.7	28	39.2		

Table E-1

Table E-1
Effective Wage Increase in Base Rates, by Year and Quarter, 1992-1994

	1992	1993				1994			
		1	2	3	4	1	2	3	4
All Industries	%	%	%	%	%	%	%	%	%
Agtis. without COLA	2.0	0.4	0.2	3.9	1.5	2.9	1.7	1.0	0.3
Agtis. with COLA	2.6	2.1	1.3	1.8	2.4	3.7	2.0	1.8	1.4
All Agreements	2.1	0.6	0.3	2.9	1.6	3.2	1.8	1.1	0.4
Commercial Sector									
Agtis. without COLA	2.8	0.6	1.1	3.8	2.6	3.0	1.8	0.3	0.7
Agtis. with COLA	2.3	2.0	1.3	1.6	1.4	3.3	2.2	1.7	1.4
All Agreements	2.6	0.9	1.2	2.7	2.3	3.1	1.9	0.6	0.8
Non-Commercial Sector									
Agtis. without COLA	1.6	0.4	-0.2	4.1	1.2	2.6	1.6	1.8	0.1
Agtis. with COLA	2.9	2.3	1.1	1.9	3.1	4.3	1.8	2.3	1.4
All Agreements	1.8	0.5	-0.2	3.0	1.4	3.4	1.6	1.8	0.3

Effective Wage Increase in Base Rates, by Year and Quarter, 1995 - 1997

	1995	1996				1997			
		1	2	3	4	1	2	3	4
All Industries	%	%	%	%	%	%	%	%	%
Agtis. without COLA	0.8	0.6	1.6	0.8	1.0	0.8	0.7	0.6	0.6
Agtis. with COLA	1.4	2.7	1.8	1.0	2.4	2.4	2.2	2.5	2.1
All Agreements	0.9	0.9	1.6	0.9	1.1	0.9	0.7	1.2	1.6
Commercial Sector									
Agtis. without COLA	1.3	1.0	2.0	1.6	1.4	1.1	1.0	0.8	0.9
Agtis. with COLA	1.4	2.7	1.9	1.0	2.4	2.4	2.4	2.6	2.1
All Agreements	1.3	1.6	2.0	1.3	1.5	1.2	1.2	1.1	1.8
Non-Commercial Sector									
Agtis. without COLA	0.5	0.4	1.1	0.3	0.2	0.4	0.6	0.2	0.5
Agtis. with COLA	1.4	2.1	1.0	1.5	-	1.7	0.0	0.0	-
All Agreements	0.5	0.4	1.1	0.4	0.2	0.4	0.6	0.2	0.3

Table E-2

Table E-2
Effective Wage Increase in Base Rates, by Major Industry Division, by Year and Quarter 1992 - 1994

	1992	1993	1994	1992				1993				1994			
				1	2	3	4	1	2	3	4	1	2	3	4
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
All Industries															
Agts. without COLA	2.0	0.4	0.2	3.9	1.5	2.9	1.7	1.0	0.3	0.5	0.3	0.3	0.0	0.3	0.4
Agts. with COLA	2.6	2.1	1.3	1.8	2.4	3.7	2.0	1.8	1.4	2.7	2.3	1.4	1.2	1.2	1.4
All Agreements	2.1	0.6	0.3	2.9	1.6	3.2	1.8	1.1	0.4	0.7	0.7	0.5	0.1	0.5	0.4
Primary Industries															
Agts. without COLA	2.7	0.5	0.7	3.8	2.4	2.4	-	-	0.3	1.3	-	0.9	0.7	0.0	-
Agts. with COLA	2.4	1.3	1.3	-	-	-	2.4	-	2.5	0.9	1.2	0.8	1.4	1.6	-
All Agreements	2.7	0.9	1.1	3.8	2.4	2.4	2.4	-	0.7	1.0	1.2	0.8	1.1	1.1	-
Manufacturing															
Agts. without COLA	2.5	1.2	2.0	3.1	2.1	3.0	1.5	2.7	1.3	1.3	0.8	1.6	1.3	1.4	2.7
Agts. with COLA	1.7	2.1	1.9	1.1	1.1	2.7	2.5	1.8	1.3	1.7	2.4	2.0	2.2	1.4	1.5
All Agreements	2.1	1.8	2.0	1.9	1.7	2.9	2.3	2.4	1.3	1.6	2.1	1.9	1.7	1.4	2.5
Construction															
Agts. without COLA	3.2	0.4	0.2	4.5	3.2	2.9	3.0	3.2	0.4	2.1	0.1	2.5	1.8	-	-0.1
Agts. with COLA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Agreements	3.2	0.4	0.2	4.5	3.2	2.9	3.0	3.2	0.4	2.1	0.1	2.5	1.8	-	-0.1
Transportation, Communication & Other Utilities															
Agts. without COLA	2.8	0.7	1.1	3.3	2.9	3.2	1.1	0.8	1.1	0.4	0.4	0.7	1.2	2.1	0.6
Agts. with COLA	2.6	1.6	0.7	1.8	1.8	3.4	2.1	1.6	-	2.0	0.2	2.1	0.4	0.8	1.3
All Agreements	2.7	0.8	1.0	2.4	2.5	3.3	1.3	1.0	1.1	0.8	0.4	0.9	0.9	1.6	0.6
Trade-Finance, Insurance, Real Estate															
Agts. without COLA	2.6	0.1	-0.3	3.0	3.1	2.9	1.9	-1.3	1.5	1.0	0.9	-1.7	1.4	-0.4	0.1
Agts. with COLA	2.1	2.3	1.4	3.4	-	2.8	1.8	2.8	-	1.0	2.7	1.5	-	1.4	1.5
All Agreements	2.5	0.2	0.1	3.2	3.1	2.9	1.9	-1.1	1.5	1.0	1.0	-1.5	1.4	0.3	0.4
Community, Business, Personal Services															
Agts. without COLA	1.6	0.6	-0.2	4.3	1.2	2.9	1.7	1.6	0.5	0.5	0.2	0.2	-0.5	-0.0	-0.0
Agts. with COLA	2.7	2.4	1.2	2.1	3.1	2.1	1.6	2.3	1.1	4.2	0.8	0.8	2.5	-	0.8
All Agreements	1.7	0.7	-0.1	4.0	1.4	2.7	1.7	1.6	0.7	0.8	0.2	0.3	-0.4	-0.0	0.0
Public Administration															
Agts. without COLA	1.8	0.2	0.1	3.6	1.5	2.4	1.1	2.2	0.0	0.1	0.3	0.2	0.1	0.2	-0.3
Agts. with COLA	3.0	1.9	1.0	1.8	2.5	5.0	2.0	-	1.9	-	-	-	1.0	-	1.0
All Agreements	2.3	0.2	0.1	2.2	1.6	4.2	1.3	2.2	0.1	0.1	0.3	0.2	0.1	0.2	-0.2

Table E-2 (continued)

Table E-2 (continued)																
Effective Wage Increase in Base Rates, by Major Industry Division, by Year and Quarter 1995 - 1997																
	1995				1996				1997							
	1	2	3	4	1	2	3	4	1	2	3	4				
%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
All Industries																
Agts. without COLA	0.8	0.6	1.6	0.8	1.0	0.8	0.7	0.4	0.6	0.8	0.6	1.3	1.8	1.4	1.6	
Agts. with COLA	1.4	2.7	1.8	1.0	2.4	2.4	2.2	2.5	2.1	3.2	2.7	2.4	1.9	1.7	1.7	
All Agreements	0.9	0.9	1.6	0.9	1.1	0.9	0.7	0.6	0.7	1.2	1.6	1.4	1.8	1.4	1.6	
Primary Industries																
Agts. without COLA	2.5	1.7	1.9	-	2.0	2.1	3.5	1.3	1.9	1.0	2.7	-	2.7	1.5	1.2	
Agts. with COLA	-	1.9	2.2	-	-	-	-	-	1.9	2.0	-	2.8	2.2	2.3	-	
All Agreements	2.5	1.8	2.2	-	2.0	2.1	3.5	1.3	1.9	1.5	2.7	2.8	2.2	2.1	1.2	
Manufacturing																
Agts. without COLA	2.1	2.7	1.9	2.3	2.5	2.1	1.5	2.2	2.8	3.0	2.3	2.0	2.4	1.8	1.1	
Agts. with COLA	2.7	3.3	2.9	3.2	2.4	2.7	2.4	2.8	2.3	3.3	3.5	2.6	3.1	3.3	2.6	
All Agreements	2.4	3.1	2.2	2.5	2.5	2.3	1.9	2.5	2.6	3.2	3.3	2.2	2.8	1.9	1.7	
Construction																
Agts. without COLA	1.0	0.1	2.6	1.5	1.0	0.8	1.2	-0.2	0.0	1.1	0.6	-	2.7	2.0	2.2	
Agts. with COLA	1.7	1.7	-	1.7	-	-	-	1.7	-	-	-	-	-	-	-	
All Agreements	1.0	0.3	2.6	1.5	1.0	0.8	1.2	0.5	0.0	1.1	0.6	-	2.7	2.0	2.2	
Transportation, Communication & Other Utilities																
Agts. without COLA	1.2	0.6	1.7	1.1	1.4	1.3	0.7	0.6	0.5	0.7	0.7	2.0	1.8	1.5	0.9	
Agts. with COLA	0.7	2.0	1.5	0.7	-	0.7	-	1.5	1.8	-	2.0	0.7	0.0	1.0	1.7	
All Agreements	1.1	0.8	1.6	0.8	1.4	1.3	0.7	0.6	0.6	0.7	1.1	1.9	1.4	1.4	1.6	
Trade-Finance, Insurance, Real Estate																
Agts. without COLA	0.8	0.7	1.7	0.5	0.9	0.5	0.0	1.9	0.3	0.1	1.4	1.6	2.0	1.7	1.1	
Agts. with COLA	-	0.3	1.2	-	-	-	-	-	-	-	0.3	-	-	1.2	-	
All Agreements	0.8	0.6	1.6	0.5	0.9	0.5	0.0	1.9	0.3	0.1	0.8	1.6	2.0	1.6	1.1	
Community, Business, Personal Services																
Agts. without COLA	0.5	0.6	1.0	-0.0	0.7	0.5	0.7	0.4	0.6	1.1	0.0	0.9	0.8	0.8	1.7	
Agts. with COLA	0.9	0.8	1.5	-	-	1.7	0.0	0.0	-	-	1.6	-	1.6	-	0.6	
All Agreements	0.5	0.6	1.0	-0.0	0.7	0.5	0.7	0.4	0.6	1.1	0.1	0.9	0.9	0.8	1.6	
Public Administration																
Agts. without COLA	0.6	0.2	1.3	1.4	0.5	0.1	0.6	0.0	0.4	0.1	0.4	1.0	0.7	1.2	1.7	
Agts. with COLA	1.5	2.3	1.3	1.5	-	-	-	-	-	-	2.3	-	-	-	1.3	
All Agreements	0.6	0.3	1.3	1.4	0.5	0.1	0.6	0.0	0.4	0.1	1.4	1.0	0.7	1.2	1.7	

Table E-3

Table E-3
Effective Wage Increase in Base Rates, by Public and Private Sector, by Year and Quarter 1992 - 1994

	1992	1993	1994	1992				1993				1994			
				1	2	3	4	1	2	3	4	1	2	3	4
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Public Sector															
Agts. without COLA	1.7	0.4	-0.1	4.1	1.3	2.9	1.6	1.9	0.2	0.4	0.1	0.2	-0.1	-0.2	-0.1
Agts. with COLA	2.8	2.2	0.8	1.8	3.1	3.8	1.9	1.7	1.4	3.4	0.8	1.1	0.7	0.8	0.9
All Agreements	2.0	0.6	-0.0	2.9	1.5	3.4	1.6	1.8	0.3	0.6	0.1	0.4	-0.1	-0.1	-0.0
Federal Administration															
Agts. without COLA	-	0.0	0.0	-	-	-	-	-	0.0	-	-	-	0.0	-	-
Agts. with COLA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Agreements	-	0.0	0.0	-	-	-	-	-	0.0	-	-	-	0.0	-	-
Crown Corporations															
Agts. without COLA	3.0	2.3	3.2	3.0	3.0	3.2	2.5	2.7	-	1.8	-	2.0	0.0	4.8	1.9
Agts. with COLA	3.4	-	0.8	-	-	3.4	-	-	-	-	-	-	0.8	0.8	-
All Agreements	3.2	2.3	2.0	3.0	3.0	3.3	2.5	2.7	-	1.8	-	2.0	0.5	2.7	1.9
Provincial Administration															
Agts. without COLA	1.4	0.2	0.1	4.2	1.0	4.2	1.0	-	0.3	0.1	0.4	0.0	0.4	0.0	-0.3
Agts. with COLA	2.7	1.7	0.2	1.7	-	5.0	2.0	1.7	1.9	1.0	-	1.4	0.1	-	-
All Agreements	2.1	0.4	0.1	2.0	1.0	4.9	1.3	1.7	0.7	0.1	0.4	0.3	0.3	0.0	-0.3
Local Administration															
Agts. without COLA	3.4	0.7	0.5	3.8	5.5	2.4	1.7	2.2	0.5	0.1	0.5	0.3	0.9	0.8	0.3
Agts. with COLA	2.5	1.7	1.2	2.7	2.5	-	-	-	-	1.7	-	-	1.2	-	1.0
All Agreements	3.3	0.8	0.6	3.7	4.7	2.4	1.7	2.2	0.5	0.3	0.5	0.3	1.1	0.8	0.4
Education, Health and Welfare															
Agts. without COLA	1.6	0.5	-0.4	4.3	1.2	2.8	1.6	1.7	0.5	0.5	0.0	0.2	-0.6	-0.8	-0.0
Agts. with COLA	2.7	2.4	1.1	2.1	3.1	2.0	1.6	2.3	1.1	4.2	0.8	3.0	-	0.8	-
All Agreements	1.7	0.7	-0.3	4.0	1.4	2.7	1.6	1.7	0.6	0.8	0.0	0.3	-0.5	-0.8	-0.0
Telephone, Electric and Water															
Agts. without COLA	2.6	1.4	0.0	-	2.9	3.0	1.3	0.5	1.3	2.3	-	0.0	0.8	-	-
Agts. with COLA	2.7	1.8	2.3	2.9	3.0	2.9	2.4	1.0	-	2.3	-	2.3	-	-	-
All Agreements	2.6	1.5	0.3	2.9	2.9	2.9	2.0	0.8	1.3	2.3	-	0.3	0.8	-	-
Private Sector															
Agts. without COLA	2.8	0.5	1.1	3.7	2.7	2.9	2.0	-0.1	0.6	1.1	0.4	0.4	1.6	1.1	1.2
Agts. with COLA	1.8	2.1	1.7	1.6	1.4	3.0	2.2	2.5	1.4	1.7	2.3	1.7	1.9	1.4	1.5
All Agreements	2.6	0.8	1.3	3.1	2.3	2.9	2.0	0.1	0.7	1.3	1.0	0.8	1.7	1.2	1.2

Table E-3 (continued)

Table E-3 (continued)															
Effective Wage Increase in Base Rates, by Public and Private Sector, by Year and Quarter 1995 - 1997															
	1995	1996	1997	1995				1996				1997			
				1	2	3	4	1	2	3	4	1	2	3	4
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Public Sector															
Agts. without COLA	0.6	0.4	1.1	0.4	0.8	0.4	0.6	0.2	0.5	0.5	0.2	1.0	0.9	0.9	1.5
Agts. with COLA	0.8	2.0	1.5	0.8	-	1.7	0.0	0.7	-	-	2.1	0.7	0.0	-	1.7
All Agreements	0.6	0.5	1.2	0.6	0.8	0.4	0.6	0.2	0.5	0.5	0.7	1.0	0.8	0.9	1.6
Federal Administration															
Agts. without COLA	-	0.0	2.3	-	-	-	-	-	-	-	0.0	-	-	-	2.3
Agts. with COLA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Agreements	-	0.0	2.3	-	-	-	-	-	-	-	0.0	-	-	-	2.3
Crown Corporations															
Agts. without COLA	1.3	1.1	1.0	-	1.3	-	0.6	-	0.4	1.7	-	0.9	1.0	0.0	1.7
Agts. with COLA	0.8	-	1.5	0.8	-	-	-	-	-	-	-	-	0.0	-	1.7
All Agreements	1.0	1.1	1.4	0.8	1.3	-	0.6	-	0.4	1.7	-	0.9	0.4	0.0	1.7
Provincial Administration															
Agts. without COLA	0.9	0.1	1.2	1.8	1.4	0.3	0.6	0.0	0.4	-0.6	0.5	0.8	1.6	0.6	1.2
Agts. with COLA	0.0	2.0	-	0.0	-	-	-	-	-	-	2.0	-	-	-	-
All Agreements	0.8	0.3	1.2	1.4	1.4	0.3	0.6	0.0	0.4	-0.6	1.8	0.8	1.6	0.6	1.2
Local Administration															
Agts. without COLA	0.4	0.5	1.3	0.5	1.1	0.0	0.5	0.9	0.3	0.6	0.6	1.5	0.7	1.2	1.6
Agts. with COLA	1.5	2.2	0.9	1.5	-	-	-	1.5	-	-	2.3	0.7	-	-	1.3
All Agreements	0.6	0.8	1.3	0.9	1.1	0.0	0.5	1.0	0.3	0.6	1.4	1.5	0.7	1.2	1.6
Education, Health and Welfare															
Agts. without COLA	0.5	0.5	1.0	-0.0	0.2	0.5	0.7	0.4	0.6	0.6	-0.0	0.9	0.8	0.8	1.7
Agts. with COLA	0.9	0.0	0.6	-	-	1.7	0.0	0.0	-	-	-	-	-	-	0.6
All Agreements	0.5	0.5	1.0	-0.0	0.2	0.5	0.7	0.4	0.6	0.6	-0.0	0.9	0.8	0.8	1.7
Telephone, Electric and Water															
Agts. without COLA	0.0	0.6	1.2	0.0	-	-	-	0.4	0.6	1.1	0.7	-	-	1.3	1.0
Agts. with COLA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All Agreements	0.0	0.6	1.2	0.0	-	-	-	0.4	0.6	1.1	0.7	-	-	1.3	1.0
Private Sector															
Agts. without COLA	1.2	1.3	2.1	1.7	1.2	1.1	1.4	1.1	1.4	1.4	1.2	2.1	2.5	1.6	1.7
Agts. with COLA	2.5	2.8	2.4	2.9	2.4	2.4	2.4	2.6	2.1	3.2	2.9	2.6	2.6	1.7	2.6
All Agreements	1.4	1.9	2.1	1.9	1.3	1.2	1.6	1.4	1.6	1.9	2.3	2.2	2.5	1.6	1.8

TECHNICAL NOTES

The information in this report is produced from collective agreement settlements in Canada which cover 500 or more employees in all industries. A few settlements are excluded where the basis of payment is on a piece/mileage rate basis.

INDUSTRY / SECTOR

All Industries

All collective agreements in Canada, which cover 500 or more employees in all industries including Construction. The Construction industry is excluded prior to 1983.

Non-Commercial Sector

Consists of highway and bridge maintenance, water systems and other utilities, hospitals, welfare organizations, religious organizations, private households, education and related services, public administration and defence.

Commercial Sector

Consists of all industries except the non-commercial industries.

PUBLIC (AND PRIVATE) SECTOR

The principal unit of observation is the collective bargaining unit; however, the designation for inclusion in the public sector is by reference to characteristics of the employer with whom a bargaining unit negotiates. Reference to the employer characteristics makes the directives consistent with Statistics Canada's use of "institutional units" or "entities".

While the criteria relate to the classification of the public sector only, the private sector is defined by exclusion.

Public sector bargaining units negotiate wages or other working conditions with an employer who is part of, or an agent of, a Government or a Government Business Enterprise. The distinction between the two is whether the activity engaged in is "non-commercial" (Government) or "commercial" (Government Business Enterprise).

Government (Non-Commercial) Sector

The Government component comprises all non-commercial entities controlled by governments and

mainly financed out of general taxation or other public funds. These entities provide goods and/or services free or at non-market prices (not having a view to profit).

Sub-sectors of the Government component are identified below.

(1) Federal Government

Collective bargaining in the Federal Government component is conducted under the Public Service Staff Relations Act (Parts 1 and 2), and the Parliamentary Employment and Staff Relations Act.

(2) Provincial and Territorial Governments

- (a) Provincial and Territorial Government Administration
- (b) Health, Education and Social Services Agencies or Institutions
 - (i) Public Hospitals
 - (ii) Provincial Residential Care Facilities
 - (iii) Universities
 - (iv) Colleges, Vocational and Trade Institutions
 - (v) Social Services Business Enterprise
 - (vi) Provincial Elementary and Secondary Schools

(3) Local Government Administration

- (a) Local government organizations such as: municipalities, boards, commissions
- (b) School Boards
- (c) Social Services

Establishments at the local level primarily engaged in providing basic domiciliary care only, such as homes for the aged, blind or senile, boarding houses for the aged, day nurseries, shelters, etc.

Government (Commercial) Business Enterprise

The commercial component of the public sector is divided into three broad sub-groupings, based on degree of governmental control, as follows:

(1) Direct Control

A commercial enterprise is directly controlled by a government if one of the following conditions is met:

- (i) A government holds more than 50 per cent of its voting equity, directly;
- (ii) A government has irrevocable options or the right to acquire shares, or convertible debt or equity, exercisable at the discretion of that government.

(2) Effective Control

A commercial enterprise is effectively controlled by a government if one of the following conditions is met:

- (i) The government holds a significant voting ownership in a public enterprise, where significant is understood as:
 - the holding is the largest block of voting equity; and
 - the holding exceeds 33.3 per cent of the voting equity; and
 - the block is larger than the combined percentage of the next two largest blocks;
- (ii) The commercial enterprise declares that it is effectively controlled by a government;
- (iii) There exists a method or variety of methods (e.g. significant voting ownership of the enterprise, technological agreements, supply controls or contracts, management contracts, interlocking directorships, etc.

(3) Indirect Control

A business enterprise is indirectly controlled by a government if that government directly or effectively controls a government business enterprise, which in turn directly or effectively controls that enterprise.

THE BASE RATE

The base rate is the lowest paid classification used for qualified workers in the bargaining unit. In most instances, the base rate is the rate of pay for an unskilled or semi-skilled classification of workers. However, this is not the case in contracts covering only skilled workers and professional employees.

As only the base rate in a contract is used, the resulting data on percentage change do not necessarily reflect the average wage change for all workers in the bargaining unit. For example, where an across-the-board increase is negotiated for all classifications in cents per hour (or other money terms), measurement on the base rate produces higher results than

measurement on any higher rate, including the average rate. Where varying percentage or money increases are negotiated for different classifications, measurement on the base rate may produce results that are higher or lower than measurement on the average rate. Where an across-the-board increase is negotiated for all classifications in percentage terms, measurement on the base rate produces results identical to measurement on any other rate, including the average rate. It should be noted that information on the average rate for all employees in bargaining unit is not available.

EFFECTIVE WAGE INCREASE

The effective wage increase is the increase in rates of pay including estimated cost-of-living agreements (COLA) payments. Estimates of the yield of COLA clauses are obtained by quantifying the characteristics of these clauses in each agreement and applying a combination of actual Consumer Price Index (CPI) increases available to date plus a specified projected inflation rate for the remainder of the contract duration. In succeeding quarters, these estimates are revised using actual CPI values as they become available.

In the current report, an inflation projection of 2 per cent has been used when the actual rate is unknown. This figure is based on a rounded average of inflation forecasts and is intended for illustrative purposes only and does not constitute an official forecast by Human Resources Development Canada. The use of different inflation rate scenarios could result in varying settlement increases. The inflation projection used will be revised periodically to reflect prevailing economic conditions. By including reasonable estimates of future payments under COLA clauses, the effective wage increase concept facilitates an accurate comparison of agreements with and without COLA and permits the aggregation of all agreements to yield an improved measure of wage settlements.

By including reasonable estimates of future payments under COLA clauses, the effective wage increase concept facilitates an accurate comparison of agreements with and without COLA and permits the aggregation of all agreements to yield an improved measure of wage settlements.

SECTION 2

EXPIRIES AND REOPENERS* OF MAJOR COLLECTIVE AGREEMENTS IN APRIL, MAY AND JUNE 1998

* Collective agreement may be reopened to negotiate *1 wage provisions and/or *2 other provisions.

Company and Location	Union and Occupation	Number of Employees	Industry
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APRIL 1998

PRINCE EDWARD ISLAND

*1 Health and Community Services Agency & Regional Health Authorities, (CLC) (non-medical empls.) province-wide	Cdn. Union of Public Empls. (nurses)	800	Services
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*1 Regional Health Authorities of Prince Edward Island, province-wide	P.E.I. Nurses' Union (Ind.) (nurses)	925	Services
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*1 Regional Health Authorities of Prince Edward Island, province-wide	Intl. Union of Operating Engineers (AFL-CIO) (administrative, maintenance & para-medical technical empls.)	505	Services
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NOVA SCOTIA

Bowater Mersey Paper Co. Limited, Liverpool	Communications, Energy and Paperworkers Union of Canada (CLC) (mill empls.)	500	Manufacturing
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Construction Management Bureau Limited, province-wide, except Cape Breton Island	Intl. Brotherhood of Electrical Wkrs. (AFL-CIO/CLC) (electricians)	800	Construction
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Construction Management Bureau Limited, province-wide, except Cape Breton Island	Laborers' Intl. Union of North America (AFL-CIO/CLC) (labourers)	550	Construction
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Construction Management Bureau Limited, province-wide, except Cape Breton Island	United Assn. of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the U.S. and Canada (AFL-CIO) (plumbers and pipefitters)	700	Construction
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Public Admin. - Public Administration
Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
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NOVA SCOTIA (continued)

Construction Management Bureau Limited, province-wide, except Cape Breton Island	United Brotherhood of Carpenters and Joiners of America (AFL-CIO/CLC) (carpenters)	1,300	Construction
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NEW BRUNSWICK

Avenor Maritimes Inc., Dalhousie	Communications, Energy and Paperworkers Union of Canada (CLC) (mill empls.)	670	Manufacturing
Island Fishermen's Co-operative Association Ltd., Lameque	Natl. Automobile, Aerospace, Transportation and General Wkrs. Union of Canada (CLC) (plant & maintenance empls.)	800	Manufacturing
New Brunswick Telephone Company Limited, province-wide	Communications, Energy and Paperworkers Union of Canada (CLC) (operator services, craft & service empls.)	790	Communications

QUEBEC

Abitibi-Price inc., Kenogami	Fédération des travailleurs et des travailleuses du papier et de la forêt (CNTU) (production empls.)	550	Manufacturing
Avenor inc., Gatineau	Communications, Energy and Paperworkers Union of Canada (CLC) (mill empls.)	700	Manufacturing
Eastern Canada Newsprint Group (Daishowa Inc., Donohue QUNO Inc., James MacLaren Industries Inc. & Alliance Forestry Inc.), Quebec City, Baie-Comeau, Masson & Dolbeau	Communications, Energy and Paperworkers Union of Canada (CLC) (plant & maintenance empls.)	2,550	Manufacturing
Kruger inc., Trois-Rivières	Communications, Energy and Paperworkers Union of Canada (CLC) (plant, maintenance, office & clerical empls.)	595	Manufacturing

Public Admin. - Public Administration
Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
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QUEBEC (continued)

Scott Paper Limited (Manufacturing Division), Hull	Communications, Energy and Paperworkers Union of Canada (CLC) (production empls.)	540	Manufacturing
Stone-Consolidated Inc. (Wayagamack, Laurentide & Belgo Divisions), Trois-Rivières, Grand-Mère & Shawinigan	Communications, Energy and Paperworkers Union of Canada (CLC) (production empls.)	1,640	Manufacturing
*1 QIT-Fer et Titane inc., Sorel	Fédération de la métallurgie (CNTU) (plant & maintenance empls.)	1,040	Manufacturing
*1 Stone-Consolidated Inc. (Division Port-Alfred), La Baie	Fédération des travailleurs et des travailleuses du papier et de la forêt (CNTU) (production, office & clerical empls.)	670	Manufacturing
Building Contractors' Association of Quebec & Road and Large Construction Association of Quebec (Wages), province-wide	Directly Chartered Unions (CLC), North Shore Construction Union Inc. (Ind.), Fédération CSN - Construction (CNTU) & Centrale des syndicats démocratiques (CSD) (trades empls.)	42,590	Construction
Building Contractors' Association of Quebec & Road and Large Construction Association of Quebec (Working Conditions), province-wide	Directly Chartered Unions (CLC), North Shore Construction Union Inc. (Ind.), Fédération CSN - Construction (CNTU) & Centrale des syndicats démocratiques (CSD) (trades empls.)	49,170	Construction

ONTARIO

Avenor Inc., Thunder Bay	Communications, Energy and Paperworkers Union of Canada (CLC), Intl. Union of Operating Engineers (AFL-CIO), Intl. Brotherhood of Electrical Wkrs. (AFL-CIO/CLC) & Office and Professional Empls. Intl. Union (AFL-CIO/CLC) (plant, maintenance & office empls.)	1,275	Manufacturing
Camco Inc., Hamilton	Natl. Automobile, Aerospace, Transportation and General Wkrs. Union of Canada (CLC) (production & warehouse empls.)	950	Manufacturing

Public Admin. - Public Administration
Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
ONTARIO (continued)			
Domtar Inc., Domtar Speciality Fine Papers Division, Cornwall and St. Catharines	Communications, Energy and Paperworkers Union of Canada (CLC) (production, service, maintenance empls. & shippers)	1,065	Manufacturing
E.B. Eddy Forest Products Ltd., Espanola	Communications, Energy and Paperworkers Union of Canada (CLC) (mill empls.)	635	Manufacturing
H.J. Heinz Co. of Canada Ltd., Leamington	United Food and Commercial Wkrs. Intl. Union (AFL-CIO/CLC) (plant, maintenance, office, clerical, & technical empls.)	760	Manufacturing
Lear Seating Canada Ltd. (Division of Lear Seating Corp.), Ajax	Natl. Automobile, Aerospace, Transportation and General Wkrs. Union of Canada (CLC) (plant & maintenance empls.)	500	Manufacturing
Architectural Glass and Metal Contractors' Association (Commercial/Industrial Sector), province-wide	Intl. Brotherhood of Painters and Allied Trades (AFL-CIO/CLC) (glaziers)	800	Construction
Association of Millwrighting Contractors of Ontario Inc., province-wide	United Brotherhood of Carpenters and Joiners of America (AFL-CIO/CLC) (millwrights)	2,000	Construction
Electrical Power Systems Construction Association, province-wide	Ont. Allied Construction Trades Council representing the Intl. Assn. of Heat and Frost Insulators and Asbestos Wkrs. (AFL-CIO), United Brotherhood of Carpenters and Joiners of America (AFL-CIO/CLC), Intl. Union of Operating Engineers (AFL-CIO), Laborers' Intl. Union of North America (AFL-CIO/CLC), Intl. Brotherhood of Painters and Allied Trades (AFL-CIO/CLC), Operative Plasterers and Cement Masons Intl. Assn. of the U.S. and Canada (AFL-CIO) & Intl. Brotherhood of Teamsters (AFL-CIO/CLC) (construction trades empls.)	500	Construction

Public Admin. - Public Administration
 Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
ONTARIO (continued)			
Electrical Trade Bargaining Agency of the Electrical Contractors' Assn. of Ontario, province-wide	Intl. Brotherhood of Electrical Wkrs. (AFL-CIO/CLC) (electricians)	15,000	Construction
Interior Systems Contractors' Association of Ontario, province-wide	United Brotherhood of Carpenters and Joiners of America (AFL-CIO/CLC) (drywall wkrs.)	800	Construction
Labourers Employer Bargaining Agency representing the Labour Relations Bureau of the Ontario General Contractors' Assn., Ontario Masonry Contractors' Assn., Industrial Contractors' Assn., Sealant and Waterproofing Assn. & Concrete Floor Contractors' Assn. of Ontario, province-wide	Laborers' Intl. Union of North America (AFL-CIO/CLC) (labourers)	8,000	Construction
Masonry Contractors' Association of Toronto Inc., Toronto	Bricklayers, Masons Independent Union of Canada (CLC) (bricklayers, assistant bricklayers, masonry wkrs. & fork lift operators)	2,000	Construction
Masonry Industry Employers Council of Ontario, province-wide	Intl. Union of Bricklayers and Allied Craftsmen (AFL-CIO) (bricklayers, stonemasons & plasterers)	4,000	Construction
Master Insulators' Association of Ontario Inc., province-wide	Intl. Assn. of Heat and Frost Insulators & Asbestos Wkrs. (AFL-CIO) (insulation wkrs.)	1,200	Construction
Mechanical Contractors' Association of Ontario, Metropolitan Toronto & area	United Assn. of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the U.S. and Canada (AFL-CIO) (plumbers & pipefitters)	8,000	Construction
Metropolitan Plumbing and Heating Contractors' Association, Metropolitan Toronto & area	United Assn. of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the U.S. and Canada (AFL-CIO) (plumbers and pipefitters)	700	Construction

Public Admin. - Public Administration
Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
ONTARIO (continued)			
Metropolitan Toronto Demolition Contractors Inc., Metropolitan Toronto & area	Laborers' Intl. Union of North America (AFL-CIO/CLC) (labourers, truck drivers & machine operators)	500	Construction
Metropolitan Toronto Road Builders' Association, Metropolitan Toronto & area	Intl. Brotherhood of Teamsters (AFL-CIO/CLC) & Laborers' Intl. Union of North America (AFL-CIO/CLC) (labourers & drivers)	530	Construction
Metropolitan Toronto Sewer and Watermain Contractors' Association, Metropolitan Toronto & area	Intl. Union of Operating Engineers (AFL-CIO) (heavy equipment operators)	500	Construction
Metropolitan Toronto Sewer and Watermain Contractors' Association, Metropolitan Toronto & area	Laborers' Intl. Union of North America (AFL-CIO/CLC) & Intl. Brotherhood of Teamsters (AFL-CIO/CLC) (labourers & truck drivers)	1,000	Construction
National Capital Road Builders Association, Ottawa	Intl. Brotherhood of Teamsters (AFL-CIO/CLC), Intl. Union of Operating Engineers (AFL-CIO) & Laborers' Intl. Union of North America (AFL-CIO/CLC) (labourers, drivers & heavy equipment operators)	600	Construction
National Elevator and Escalator Association, province-wide	Intl. Union of Elevator Constructors (AFL-CIO) (elevator constructors)	1,100	Construction
Ontario Concrete & Drain Contractors' Association, Toronto and area	Laborers' Intl. Union of North America (AFL-CIO/CLC) & Intl. Union of Operating Engineers (AFL-CIO) (labourers & heavy equipment operators)	600	Construction
Ontario Erectors Association Inc., province-wide	Intl. Assn. of Bridge, Structural and Ornamental Iron Wkrs. (AFL-CIO) (iron wkrs. & welders)	5,000	Construction
Ontario Formwork Association, province-wide	The Formwork Council of Ont. representing the Intl. Union of Operating Engineers (AFL-CIO) & Laborers' Intl. Union of North America (AFL-CIO/CLC) (heavy equipment operators)	600	Construction

Public Admin. - Public Administration
Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
ONTARIO (continued)			
Ontario Industrial Roofing Contractors' Association, province-wide	Sheet Metal Wkrs. Intl. Assn. (AFL-CIO) (roofers)	1,000	Construction
Ontario Painting Contractors' Association, Acoustical Association of Ontario & Interior Systems Contractors' Association of Ontario, province-wide	Intl. Brotherhood of Painters and Allied Trades (AFL-CIO/CLC) (painters, drywall wkrs., asbestos removers & floor craft wkrs.)	3,980	Construction
Ontario Refrigeration and Air Conditioning Contractors' Association, province-wide	United Assn. of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the U.S. and Canada (AFL-CIO) (service & maintenance empls.)	1,200	Construction
Ontario Sheet Metal and Air Handling Group, province-wide	Sheet Metal Wkrs. Intl. Assn. (AFL-CIO/CLC) (sheet metal wkrs.)	5,000	Construction
Operating Engineers Employer Bargaining Agency, province-wide	Intl. Union of Operating Engineers (AFL-CIO) (operating engineers)	2,500	Construction
Ottawa Construction Association, Ottawa	Laborers' Intl. Union of North America (AFL-CIO/CLC) (labourers)	500	Construction
Ottawa Construction Association, Ottawa	United Brotherhood of Carpenters and Joiners of America (AFL-CIO/CLC) (carpenters)	650	Construction
Residential Framing Contractors' Assn. of Metro Toronto and Vicinity Inc., Metropolitan Toronto & area	Laborers' Intl. Union of North America (AFL-CIO/CLC) (carpenters & labourers)	600	Construction
Residential Low Rise Forming Contractors' Assn. of Metro Toronto and Vicinity Inc., Metropolitan Toronto & area	Laborers' Intl. Union of North America (AFL-CIO/CLC) (labourers & form setters)	600	Construction
Residential Painting Contractors of Ontario, province-wide	Ont. Council of the Intl. Brotherhood of Painters and Allied Trades (AFL-CIO/CLC) (painters)	700	Construction

Public Admin. - Public Administration
Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
ONTARIO (continued)			
Rodworker Employer Bargaining Agency, province-wide	Intl. Assn. of Bridge, Structural and Ornamental Iron Wkrs. (AFL-CIO) (rodmen)	1,000	Construction
Terrazzo, Tile and Marble Guild of Ontario Inc., province-wide	Intl. Union of Bricklayers and Allied Craftsmen (AFL-CIO) (masonry wkrs. & tile setters)	1,200	Construction
Toronto-Residential Air Handling Group, Toronto	Sheet Metal Wkrs. Intl. Assn. (AFL-CIO/CLC) (sheet metal wkrs.)	540	Construction
Utility Contractors' Association of Ontario Incorporated, province-wide	Laborers' Intl. Union of North America (AFL-CIO/CLC) (labourers)	1,200	Construction
Consumers' Gas Company Ltd., province-wide	Communications, Energy and Paperworkers Union of Canada (CLC) (office, clerical, plant & maintenance empls.)	1,815	Other Utilities
*2 Ontario Hydro, province-wide	Cdn. Union of Public Empls. (CLC) (office, clerical, technical empls. & general tradesmen)	14,035	Other Utilities
Carleton University, Ottawa	Carleton University Academic Staff Assn. (Ind.) (professors, instructors, tutors, lecturers & librarians)	660	Services
University of Ottawa, Ottawa	Assn. of Professors of the University of Ottawa (Ind.) (professors, lecturers & librarians)	880	Public Admin.
House of Commons of Canada, Ottawa	Public Service Alliance of Canada (CLC) (restaurant, operations & printing service empls.)	510	Public Admin.

MANITOBA

Construction Labour Relations Association of Manitoba (Carpentry Contractors Trade Division), province-wide	United Brotherhood of Carpenters and Joiners of America (AFL-CIO/CLC) (carpenters)	1,000	Construction
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Public Admin. - Public Administration
Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
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MANITOBA (continued)

Construction Labour Relations Association of Manitoba (Electrical Contractors Trade Division), province-wide	Intl. Brotherhood of Electrical Wkrs. (AFL-CIO/CLC) (electricians)	700	Construction
Construction Labour Relations Association of Manitoba, (Labourer Contractors Trade Division), province-wide	Laborers' Intl. Union of North America (AFL-CIO/CLC) (labourers)	500	Construction
Construction Labour Relations Association of Manitoba (Mechanical Contractors Trade Division), province-wide	United Assn. of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the U.S. and Canada (AFL-CIO) (plumbers & pipefitters)	800	Construction

ALBERTA

TELUS Communications Inc., province-wide	Intl. Brotherhood of Electrical Wkrs. (AFL-CIO/CLC) (operator services, office & clerical empls.)	2,690	Communications
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BRITISH COLUMBIA

Fish Processors' Bargaining Association of British Columbia, B.C. Coast	United Fishermen and Allied Wkrs. Union (CLC) (shoreworkers, tendermen, cannery, fresh fish & cold storage empls.)	3,275	Manufacturing
Construction Labour Relations Association of British Columbia, province-wide	Bargaining Council of B.C. Building Trade Unions representing United Brotherhood of Carpenters and Joiners of America (AFL-CIO/CLC), Laborers' Intl. Union of North America (AFL-CIO/CLC), Intl. Brotherhood of Teamsters (AFL-CIO/CLC), Intl. Brotherhood of Painters and Allied Trades (AFL-CIO/CLC), United Assn. of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the U.S. and Canada (AFL-CIO), Sheet Metal Wkrs. Intl. Assn. (AFL-CIO/CLC), Operative	28,210	Construction

Public Admin. - Public Administration
Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
BRITISH COLUMBIA (continued)			
...continued	Plasterers and Cement Masons Intl. Assn. of the U. S. and Canada (AFL-CIO), Intl. Brotherhood of Electrical Wkrs. (AFL-CIO/CLC), Intl. Union of Bricklayers and Allied Craftsmen (AFL-CIO), Intl. Assn. of Heat and Frost Insulators and Asbestos Wkrs. (AFL-CIO), Intl. Assn. of Machinists and Aerospace Wkrs. (AFL-CIO/CLC), Intl. Union of Operating Engineers (AFL-CIO) & Intl. Assn. of Bridge, Structural and Ornamental Iron Wkrs. (AFL-CIO) (construction trades empls.)		
Sheet Metal and Air Conditioning Contractors' National Assn., province-wide (excluding Vancouver) & Yukon	Sheet Metal Wkrs. Intl. Assn. (AFL-CIO/CLC) (sheet metal empls.)	1,200	Construction
Health Employers Association of British Columbia, province-wide	Cdn. Union of Public Empls. (CLC), United Food and Commercial Wkrs. Intl. Union (AFL-CIO/CLC) & B.C. Govt. and Services Empls'. Union (CLC) (non-medical support empls.)	1,400	Services
Simon Fraser University, Burnaby	Teaching Support Staff Union (Ind.) (instructors & teaching assistants)	800	Services
Government of British Columbia, province-wide	B.C. Govt. and Service Empls. Union (NUPGE) (CLC) (correctional services, hospital and allied services, retail stores and warehouse services, social, educational and health services, environmental, technical and operational services & administrative services)	32,000	Public Admin.
Government of British Columbia, province-wide	Professional Empls. Assn. (Ind.) (scientific & other professionals)	1,750	Public Admin.

Public Admin. - Public Administration
 Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
MORE THAN ONE PROVINCE			
Abitibi-Price Inc. & Gaspésia Co. Ltd., Iroquois Falls and other centres, Ont.; Jonquière and other centres, QC & Grand Falls and other centres, Nfld.	Communications, Energy and Paperworkers Union of Canada (CLC) (mill, service, maintenance empls. & general tradesmen)	2,925	Manufacturing
Canadian Automatic Sprinkler Association, Canada-wide except QC, B.C. & Yukon	United Assn. of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the U.S. and Canada (AFL-CIO) (plumbers & pipefitters)	2,500	Construction
Air Canada, system-wide	Air Canada Pilots Assn. (Ind.) (pilots)	1,640	Transportation
Government of Canada, Canada-wide	Cdn. Assn. of Professional Radio Operators (Ind.) (radio technicians)	1,230	Public Admin.

MAY 1998

NEWFOUNDLAND

Corner Brook Pulp and Paper Limited, Corner Brook	Communications, Energy and Paperworkers Union of Canada (CLC) (mill empls.)	550	Manufacturing
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NOVA SCOTIA

Stora Forest Industries Limited, Point Tupper	Communications, Energy and Paperworkers Union of Canada (CLC) (mill empls.)	650	Manufacturing
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QUEBEC

*1 Abitibi-Price Inc., Alma	Fédération des travailleurs et des travailleuses du papier et de la forêt (CNTU) (production empls.)	560	Manufacturing
*1 Alcan Smelters and Chemicals Ltd., Shawinigan	Fédération de la métallurgie (CNTU) (hourly rated empls.)	500	Manufacturing

Public Admin. - Public Administration
Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
QUEBEC (continued)			
Noranda Metallurgy (Refinery CCR), Montreal	United Steelworkers of America (AFL-CIO/CLC) (production empls.)	820	Manufacturing
Quebec Fashion Apparel Manufacturers' Guild, Montreal	Union of Needletrades, Industrial and Textile Empls. (AFL-CIO/CLC) (production empls.)	1,460	Manufacturing
Société des casinos du Québec inc. & Resto-Casino inc., Montreal	Fédération des employé(e)s des services publics inc. (CNTU) (casino, restaurant & security empls.)	710	Services
University of Quebec, Montreal	Cdn. Union of Public Empls. (CLC) (support empls.)	1,450	Services
University of Sherbrooke, Sherbrooke	University of Sherbrooke Support Staff Union (Ind.) (support staff empls.)	710	Services
ONTARIO			
Brock Telecom Limited, Brockville	Communications, Energy and Paperworkers Union of Canada (CLC) (plant, maintenance & technical empls.)	800	Manufacturing
Dominion Castings Limited, Hamilton	United Steelworkers of America (AFL-CIO/CLC) (plant, maintenance & technical empls.)	750	Manufacturing
Uniroyal Goodrich Canada Inc. (South Plant), Kitchener	United Steelworkers of America (AFL-CIO/CLC) (hourly rated empls.)	900	Manufacturing
*1 S.W.O. Distribution Centres Ltd., Trading as Surelink, Toronto & Mississauga	Intl. Brotherhood of Teamsters (AFL-CIO/CLC) (warehouse empls. & truck drivers)	700	Trade
Cara & various independent franchises, province-wide	Cdn. Union of Restaurant & Related Empls. (Ind.) (restaurant empls.)	2,200	Services

Public Admin. - Public Administration
Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
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MANITOBA

Canada Safeway Limited, province-wide	United Food and Commercial Wkrs. Intl. Union (AFL-CIO/CLC) (retail empls.)	4,000	Trade
Deer Lodge Centre, Inc., Winnipeg	Public Service Alliance of Canada (CLC) (health services, office, clerical & technical empls.)	500	Services

MORE THAN ONE PROVINCE

Bell Canada, province-wide, QC & Ont.	Canadian Telephone Empls. Assn. (Ind.) (office & clerical empls.)	17,510	Communications
Government of Canada, Canada-wide	Economists', Sociologists' and Statisticians' Assn. (Ind.) (sociologists & statisticians)	2,895	Public Admin.

JUNE 1998

PRINCE EDWARD ISLAND

Government of Prince Edward Island, province-wide	P.E.I. Teachers' Fedn. (Ind.) (elementary & secondary teachers)	1,440	Services
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NEW BRUNSWICK

Fraser Inc., Edmundston	Communications, Energy and Paperworkers Union of Canada (CLC) (mill empls.)	525	Manufacturing
Repap New Brunswick Inc., Newcastle	Communications, Energy and Paperworkers Union of Canada (CLC) (mill empls.)	820	Manufacturing
Mechanical Contractor's Assn. of New Brunswick & Saint John Mechanical Contractors Employers' Assn. Inc., province-wide	United Assn. of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the U. S. and Canada (AFL-CIO) (plumbers & pipefitters)	600	Construction

Public Admin. - Public Administration
Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
NEW BRUNSWICK (continued)			
Moncton-NorthEast Construction Association Inc. (Commercial/Institutional Sector), Moncton & area	Laborers' Intl. Union of North America (AFL-CIO/CLC) (labourers)	600	Construction
Moncton-NorthEast Construction Association Inc. (Industrial Sector), Moncton & area	Laborers' Intl. Union of North America (AFL-CIO/CLC) (labourers)	600	Construction
University of New Brunswick, Fredericton	Assn. of University of N.B. Teachers (Ind.) (professors, instructors & librarians)	580	Services
QUEBEC			
Canadian Reynolds Metals Corporation Ltd., Baie Comeau	Fédération de la métallurgie (CNTU) (plant & maintenance empls.)	1,650	Manufacturing
Government of Quebec, province-wide	Fédération des affaires sociales inc. (CNTU) (ambulance technicians)	3,000	Other Utilities
Automobile Dealers Corporation of Montreal, Montreal	Natl. Automobile, Aerospace, Transportation and General Wkrs. Union of Canada (CLC) (mechanics & service empls.)	18,000	Trade
Automobile Dealers Corporation of Quebec, Quebec	Fédération démocratique de la métallurgie, des mines et des produits chimiques (CSD) (mechanics & service empls.)	6,600	Trade
Automobile Dealers Corporation of Saguenay-Lac-St-Jean, Saguenay-Lac-St-Jean Region	Fédération démocratique de la métallurgie, des mines et des produits chimiques (CSD) (mechanics & service empls.)	2,200	Trade
Government of Quebec, province-wide	Syndicat des professeurs de l'État du Québec (Ind.) (teachers)	755	Services
Government of Quebec (Education Sector - Catholic School Commissions, Protestant School Boards & CEGEPs), province-wide	Various unions (teaching, non-teaching & professional empls.)	116,480	Services
Public Admin. - Public Administration Services - Community, Business and Personal Services			

Company and Location	Union and Occupation	Number of Employees	Industry
QUEBEC (continued)			
Government of Quebec (Health & Social Services Sector - various associations), province-wide	Various unions (medical, non-medical & professional empls.)	145,550	Services
Government of Quebec, province-wide	Association professionnelle des ingénieurs du Gouvernement du Québec (Ind.) (engineers)	1,075	Public Admin.
Government of Quebec, province-wide	Quebec Provincial Police Assn. (Ind.) (police officers)	4,700	Public Admin.
Government of Quebec, province-wide	Syndicat de la fonction publique du Québec (Ind.) (salaried & hourly rated empls.)	39,135	Public Admin.
Government of Quebec, province-wide	Syndicat des professionnelles et professionnels du Gouvernement du du Québec (Ind.) (professional empls.)	12,625	Public Admin.
ONTARIO			
Fortinos Supermarket Ltd. & Fortinos Franchise Companies, Hamilton	United Food and Commercial Wkrs. Intl. Union (AFL-CIO/CLC) (full & part-time retail empls.)	1,900	Trade
Board of Governors of Ryerson Polytechnic University, Metropolitan Toronto	Ont. Public Service Empls. Union (NUPGE) (CLC) (office & clerical empls.)	550	Services
Board of Governors of Ryerson Polytechnic University, Metropolitan Toronto	Ryerson Faculty Assn. (Ind.) (professors, lecturers & librarians)	550	Services
Board of Governors of the University of Windsor, Windsor	Faculty Assn. of the University of Windsor (Ind.) (professors, lecturers & librarians)	640	Services
Cara & various independent franchises & Swiss Chalet, province-wide	United Food and Commercial Wkrs. Intl. Union (AFL-CIO/CLC) (restaurant empls.)	700	Services
Hastings County Board of Education, Belleville & area	Cdn. Union of Public Empls. (CLC) (custodial, maintenance, technical, office & clerical empls.)	510	Services

Public Admin. - Public Administration

Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
ONTARIO (continued)			
London Board of Education, London	Cdn. Union of Public Empls. (CLC) (office & clerical empls.)	630	Services
Peel Board of Education, Mississauga & area	Cdn. Union of Public Empls. (CLC) (library technicians, office & clerical empls.)	710	Services
Peel Board of Education, Mississauga & area	Cdn. Union of Public Empls. (CLC) (service, maintenance & custodial empls.)	910	Services
Peel Board of Education, Mississauga	Ont. Public School Teachers' Fedn. (Ind.) (occasional teachers)	1,075	Services
SASKATCHEWAN			
Board of Education of School Division No. 4 (Working Conditions), Regina	Sask. Teachers' Fedn. (Ind.) (elementary & secondary teachers)	1,480	Services
ALBERTA			
Northern Alberta Institute of Technology, Edmonton	NAIT Academic Staff Assn. (Ind.) (instructors, tutors, lecturers & librarians)	720	Services
Southern Alberta Institute of Technology, Calgary	Alta. Union of Provincial Empls. (NUPGE) (CLC) (office, clerical, technical & building maintenance empls.)	700	Services
BRITISH COLUMBIA			
Board of School Trustees of School District No. 24, Kamloops	Cdn. Union of Public Empls. (CLC) (office, clerical, building maintenance empls. & teaching assistants)	600	Services
Board of School Trustees of School District No. 39, Vancouver	Cdn. Union of Public Empls. (CLC) (office, clerical & technical empls.)	650	Services

Public Admin. - Public Administration
Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
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BRITISH COLUMBIA (continued)

British Columbia Public School Employers' Assn., province-wide	B.C. Teachers' Fedn. (Ind.) (elementary & secondary teachers)	42,000	Services
KFC Canada (B.C. Division), province-wide	Natl. Automobile, Aerospace, Transportation and General Wkrs. Union of Canada (CLC) (food service empls.)	675	Services

YUKON

Government of the Yukon Territory, territory-wide	Yukon Teachers' Assn. (Ind.) (elementary & secondary teachers)	600	Services
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MORE THAN ONE PROVINCE

Boilermaker Contractors' Association, Canada-wide except QC, B.C. & Yukon	Intl. Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers (AFL-CIO) (boilermakers)	3,540	Construction
Canada Post Corporation, Canada-wide	Cdn. Postmasters and Assistants Assn. (CLC) (full & part-time revenue postal operations group)	7,000	Communications
Canadian Broadcasting Corporation, Canada-wide	Communications, Energy and Paperworkers Union of Canada (CLC) (technical, maintenance, trade & general labour empls.)	2,720	Communications

Public Admin. - Public Administration
Services - Community, Business and Personal Services

SELECTED PROVISIONS IN MAJOR COLLECTIVE AGREEMENTS*

Maternity and Adoption Leave Benefits in Canada

In the past 30 years, the participation of women in the labour market has more than tripled (from 2 million in 1965 to 6.8 million in 1996). This massive influx has contributed to increased changes in working conditions with regard to family leave.

The right of up to 12 weeks of maternity leave was first introduced in 1964 in New Brunswick as provisions in the *Minimum Employment Standards Act* and, by 1971 provisions had been introduced in the *Canada Labour Code*. By 1998, all Canadian jurisdictions had adopted provisions of this type.

The legislative provisions respecting maternity leave in Canada normally provide that pregnant employees are entitled to unpaid leave for a period ranging from 17 to 18 weeks, depending on the jurisdiction (see Table 1). The *Employment Insurance Act*, however, provides for 15 weeks of maternity benefits during the period around the child's birth and 10 weeks of benefits to care for a newborn or recently adopted child such benefits being paid to the father or the mother, or shared between them. Under a collective agreement or on the employer's initiative, leave and benefits may exceed the conditions provided for under the law.

This article deals with the statistical incidence of provisions respecting paid maternity and adoption leave in major collective agreements. The Workplace Information Directorate (WID) Collective Agreements Information Retrieval System (CAIRS) makes it possible to identify the incidence and the maximum duration of maternity and adoption leave, as well as the percentage and type of revenue granted to workers during these periods.

Maternity Leave

Nearly 40 per cent of the collective agreements analysed by WID provide for a supplement to Employment Insurance benefits for maternity leave. These collective agreements, in effect in February, 1998, affect nearly **55 per cent of the 2,415,614 employees in our sample**. Although the duration and the amount of supplementary benefits paid by the employer may vary from one collective

agreement to another, they are beyond the minimum standards provided for in the *Employment Insurance Act* and are expressed primarily in two main formulas: that is, 17 weeks at 93 per cent of weekly income (35.8 per cent of all workers entitled to a supplement) and 20 weeks at 93 per cent of weekly income (23.9 per cent) of all workers entitled to a supplement).

If this data is analysed by area of jurisdiction, according to public or private sector, we find that (see Table 2):

- provisions for a supplement to Employment Insurance benefits are more common in the **public sector (74.1 per cent of workers in our sample)** than in the **private sector (14.8 per cent of workers in our sample)**. The formulas providing 17 weeks at 93 per cent (39.2 per cent of all workers entitled to a supplement) and 20 weeks at 93 per cent (26.2 per cent of workers) are more often negotiated within the public sector. Provisions in the private sector are mainly for 15 weeks at 75 per cent (57.5 per cent of all workers entitled to a supplement).

Adoption Leave

If we use the same analysis as with maternity leave, we find that (see Table 3):

- over **30 per cent of workers in our sample** are entitled to an income supplement for adoption leave. The two formulas most often negotiated are 10 weeks at 100 per cent of weekly income (45.9 per cent of all workers having such a supplement) and 12 weeks at 93 per cent of weekly income (11.5 per cent of workers.)
- provisions for paid adoption leave are more common in the **public sector (42.4 per cent of workers)** than in the **private sector (8.5 per cent of workers)**; they are, however, less often negotiated than those respecting maternity leave. The formula most often negotiated in the public sector affects 50.3 per cent of workers (10 weeks at 100 per cent of income) while, in the private sector, the most common formula is 10 weeks at 65 per cent of income (77.1 per cent of workers.)

* Major collective agreements are those covering 500 or more employees. At present, this sample comprises 1,025 agreements affecting 2,415,614 employees.

Table 1
Maternity and Adoption Leave Provisions in Labour Legislation
Weeks of Unpaid Leave

Jurisdiction	Maternity	Adoption
Federal	17	24
Newfoundland	17	17
Prince Edward Island	17 (at least 6 weeks post-natal)	17
Nova Scotia	17 (at least 1 week post-natal)	17
New Brunswick	17	12
Quebec*	18 + period between the expected and actual dates of delivery if less than 2 weeks post-natal leave remaining + a maximum of 6 weeks medical extension	52
Ontario	17 (at least 6 weeks post-natal if no parental leave)	18
Manitoba	17 + period equal to period between estimated date and actual date of delivery	17
Saskatchewan	18 (at least 6 weeks post-natal) + 6 weeks medical extension	18
Alberta	18 (at least 6 weeks post-natal) + possible 3 weeks medical extension	8
British Columbia	18 (at least 6 weeks post-natal) + possible 6 weeks medical extension	12
Northwest Territories	17 + period between estimated and actual date of birth to a maximum of 6 more weeks	12
Yukon	17 (at least 6 weeks post-natal if medical problems)	12
EMPLOYMENT INSURANCE BENEFIT WEEKS	17 (15 + 2 waiting period)	12 (10 + 2 waiting period for father)

* In Quebec, a parent may be absent from work for five days at the birth or adoption of a child. The first two days are remunerated if the employee is credited with 60 days of uninterrupted service. However, an employee who adopts the child of a spouse may be absent for only two days, without pay.

Note: The leave indicated above is the minimum that employers are required to provide to employees while maintaining some form of job protection. The legislation is, however, quite complex with respect to length of service, time limits on when leave can be taken, and degree of seniority and benefits protection. An employee may obtain the above mentioned leave without pay regardless of the length of service in British Columbia, New Brunswick and Quebec, or after a continuous period of employment with an employer in the other jurisdictions (i.e., 13 weeks in Ontario, 20 weeks in Newfoundland and Prince Edward Island, 20 weeks in the previous 52 weeks in Saskatchewan, 6 months in the federal jurisdiction, and 12 months in Alberta, Manitoba, Nova Scotia, the Northwest Territories and the Yukon).

Table 2
Maternity Leave
percentage of employees covered

	supplementary benefits	17 weeks at 93%*	20 weeks at 93%*	other formulas*
All collective agreements (1,025 collective agreement) (2,415,614 workers)	54.7	35.8	23.9	40.3
Private Sector (451 collective agreement) (789,268 workers)	14.8	-	-	100 (57.5%: 15 weeks at 75%)
Public Sector (574 collective agreement) (1,626,346 workers)	74.1	39.2	26.2	34.6

* The percentage is defined in relation to the number of workers entitled to benefits topping up their EI benefits.

Source: Workplace Information Directorate

Table 3
Adoption Leave
percentage of employees covered

	supplementary benefits	10 weeks at 100%*	12 weeks at 93%*	other formulas*
All collective agreements (1,025 collective agreement) (2,415,614 workers)	31.3	45.9	11.5	42.6
Private Sector (451 collective agreement) (823,207 workers)	8.5	-	-	100 (77.1%: 10 weeks at 65%)
Public Sector (574 collective agreement) (1,626,346 workers)	42.4	50.3	12.7	37.0

* The percentage is defined in relation to the number of workers entitled to benefits topping up their EI benefits.

Source: Workplace Information Directorate

MAJOR WORK STOPPAGES* - 1997

Annual Summary

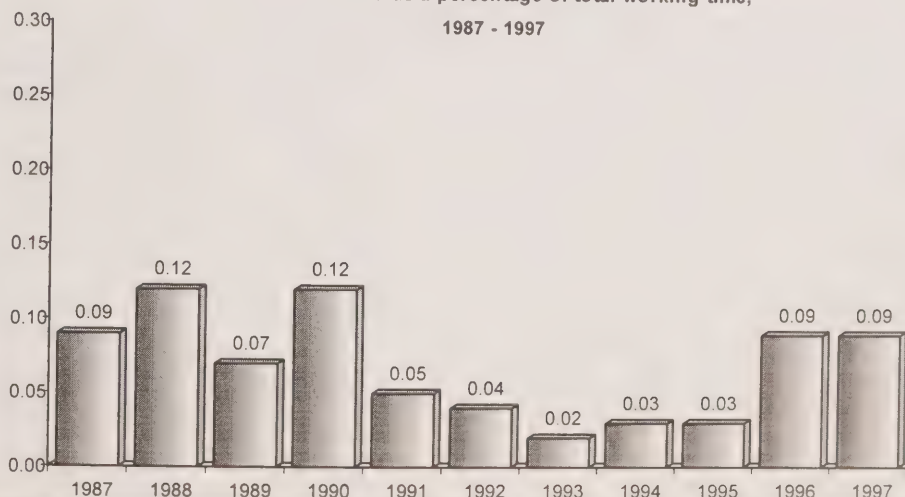
- 30 major work stoppages.
- 4 major work stoppages accounted for 86 per cent of person-days not worked.
- Working time lost due to work stoppages accounted for 0.09 per cent of estimated total working time.

Time not worked as a result of major work stoppages in 1997 amounted to 2,845,930 person-days, or 0.09 per cent of estimated total working time (9 days per 10,000 worked); 233,065 workers were involved. These figures are roughly on par with those of 1996, when 256,201 workers accounted for 2,558,696 person-days not worked, or 0.09 per cent of estimated total working time. There were 30 major work stoppages in 1997, compared to 32 in 1996. Time not worked as a proportion of estimated total working time fluctuated between 0.02 and 0.05 per cent in the 1991-1995 period, then rose to 0.09 per cent in 1996 (see graph below). Most major collective bargaining settlements, 95.5 per cent in 1997, continue to be reached without work stoppages.

Four major stoppages accounted for 86 per cent of person-days not worked in 1997. A strike by the 126,000 **Ontario school teachers** protesting Bill 160 accounted for 1,248,100 person-days not worked, 43.5 per cent of the 1997 total. A nationwide **Canada Post** strike by 45,000 employees accounted for 495,000 person-days not worked, or 17.3 per cent of the total. The major issues were wage and job security. A stoppage (strike/lockout) involving 8,650 employees at **Canada Safeway** locations in Alberta accounted for 420,420 person-days - 14.7 per cent of the total person-days not worked in 1997. The major issues in the dispute which lasted from March 26 to June 9, were wages for all employees, and working time for part-time employees. A strike by 2,400 **Fletcher Challenge** employees renegotiating contracts in British Columbia led to 303,290 person-days not worked in 1997, 10.6 per cent of the year's total; the strike continues into 1998. The main issue involved has been job flexibility.

The following tables provide information on the five largest major work stoppages in 1997, work stoppages by industry and by jurisdiction, as well as a historical summary of aggregate work stoppage data.

Major Work Stoppages
Time not worked as a percentage of total working time,
1987 - 1997



Source: Workplace Information Directorate

* Major work stoppages are those involving 500 or more employees.

Table A
Major Work Stoppages - 1980-1997
person-days not worked and estimated working time

Year	Stoppages	Workers	Person-Days	% of Total Working Time
1980	135	350,350	6,899,800	0.28
1981	99	240,452	6,169,150	0.24
1982	70	410,559	3,859,810	0.16
1983	61	279,818	2,881,950	0.12
1984	67	130,852	2,331,350	0.09
1985	56	98,281	1,348,850	0.05
1986	89	430,086	5,673,310	0.21
1987	64	531,470	2,408,490	0.09
1988	54	158,888	3,393,880	0.12
1989	67	394,351	2,177,040	0.07
1990	66	226,263	3,520,150	0.12
1991	36	218,377	1,452,400	0.05
1992	44	119,791	1,145,810	0.04
1993	25	73,757	498,680	0.02
1994	29	55,283	736,470	0.03
1995	39	125,531	993,430	0.03
1996	32	256,201	2,558,696	0.09
1997	30	233,064	2,845,930	0.09

Source: Workplace Information Directorate

Table B
Largest Major Work Stoppages - 1997

Employer	Union	Main Issue(s)	Workers	Person-Days Not Worked
Ontario School Boards province-wide	Various Teachers' Unions	Protest of Legislation	126,000	1,248,100
Canada Post Canada-wide	CUPW	Wages, Job Security	45,000	495,000
Canada Safeway Alberta - various locations	UFCW	Wages, Hours of Work	8,650	420,420
Fletcher Challenge B.C. - various locations	PPWC and CEP	Job Flexibility	2,400	303,290
Inco Ltd. Sudbury, Ont.	USWA	Wages, Job Security	4,500	83,570

Source: Workplace Information Directorate

Table C
Major Work Stoppages by Industry - 1997

Industry	Stoppages	Workers	Persons-Days Not Worked
Mining	2	5,900	107,570
Manufacturing	13	11,167	420,550
Transportation, Communications & Other Utilities	2	45,650	495,650
Trade	2	9,651	426,070
Community, Business & Personal Services	9	134,496	1,336,290
Public Administration	1	1,200	34,800
Various Industries	1	25,000	25,000
TOTAL	30	233,064	2,845,930

Source: Workplace Information Directorate

Table D
Major Work Stoppages by Jurisdiction - 1997

Jurisdiction	Stoppages	Workers	Person-Days Not Worked
Newfoundland	1	1,000	5,650
Quebec	2	1,276	5,950
Ontario	15	166,938	1,527,250
Alberta	3	11,020	455,550
British Columbia	7	7,180	355,880
TOTAL Provinces	28	187,414	2,350,280
Federal Industries	2	45,650	495,650
TOTAL Federal	2	45,650	495,650
TOTAL	30	233,064	2,845,930

Source: Workplace Information Directorate

CHRONOLOGICAL PERSPECTIVE ON WORK STOPPAGES

Period	Number beginning year or month	Work Stoppages in existence during year or month			% of Estimated working time
		Total Number*	Workers involved	Person-days not worked	
1985	52	56	98,281	1,348,850	0.05
1986	86	89	430,086	5,673,310	0.21
1987	58	64	531,470	2,408,490	0.09
1988	53	54	158,888	3,393,880	0.12
1989	66	67	394,351	2,177,040	0.07
1990	64	66	226,263	3,520,150	0.12
1991	34	36	218,377	1,452,400	0.05
1992	43	44	119,791	1,145,810	0.04
1993	23	25	73,757	498,680	0.02
1994	28	29	55,283	736,470	0.03
1995	35	39	125,531	993,430	0.03
1996	32	34	256,201	2,558,695	0.09
1997	28	30	233,064	2,845,930	0.09
1996					
December	1	4	11,270	56,770	0.02
1997					
January	1	3	2,260	24,520	0.01
February	3	5	3,414	26,670	0.01
March	2	4	10,706	55,040	0.02
April	1	3	9,833	200,660	0.08
May	1	3	8,352	166,490	0.07
June	2	4	12,706	127,530	0.05
July	4	5	5,960	67,510	0.03
August	2	6	7,060	107,280	0.04
September	1	4	5,350	66,340	0.03
October	4	6	154,800	714,880	0.28
November	6	9	176,609	1,081,820	0.43
December	1	6	49,327	230,180	0.09

* Refers to work stoppages which began during the year or month as well as those carried over from the previous year or month.

Source: Workplace Information Directorate

SECTION 3

WORKPLACE INNOVATIONS

*Céline Laporte
Workplace Information Directorate
Human Resources Development Canada*

Innovative workplace practices as defined and reported by the Workplace Information Directorate include new clauses in collective agreements which are deemed to be innovative by the parties involved or viewed as a break from the past or as an introduction of new methods in dealing with individual workplace issues. It should also be noted that what might be innovative for one organization may not be considered as such or may be a long-standing practice within another organization. For reporting purposes, the Workplace Information Directorate has classified innovative practices under the following major categories: industrial relations, organization of work, compensation and working conditions, training and development, and joint committees.

The following summary of workplace innovations appearing in this first issue of the Workplace Gazette is drawn from 41 recent collective bargaining settlements of which 50 per cent (20 settlements) report on having initiated or implemented at least one innovative workplace practice.

Duration

A significant variation in the duration of these settlements is noted as the shortest contract term reported is for only 9 months and the longest term extends over a 76.5 month period. In addition, 25 per cent of these contracts (9 settlements) have been renewed for a period of 48 months or more, while 30 per cent of the agreements (13 settlements) are due to expire within 24 months or less.

Labour-Management Committees

As observed since 1994, when the Workplace Information Directorate began documenting the incidence of innovative practices, the establishment of Labour-Management Committees continues to be one of the most widely reported type of innovative practice. In fact, 60 per cent of the 20 settlements reporting a workplace innovation provide for the use of these joint committees. Their various mandates

focus on dealing with such issues as workforce adjustment, restructuring and redistribution of work, employee benefits, job rotation, employment equity, ergonomics and occupational safety and health.

Compensation and Working Conditions

Settlements reporting innovative workplace practices related to compensation and working conditions account for 40 per cent of the 20 settlements. Examples in the area of **work scheduling** include a provision in the agreement between Ford Electronics Manufacturing Corporation and IAM, Lodge 2113 which offers an alternate work schedule on a voluntary basis and consists of one regular shift plus two weekend shifts with four hours within each weekend shift paid at double time; and a **four-day work week** pilot project for transit operators with the City of Calgary. Other clauses dealing with compensation and working conditions include an **adjustment fund** which addresses salary inequities resulting from various provincial public sector compensation restraint programs and a **professorial retention fund** to upgrade the annual salary of selected professors ensuring their continued employment at the University of British Columbia; **paid compassionate and family-related leave** at Manitoba Hydro; and the use of accumulated sick-leave for **family-related leave** purposes at the London Board of Education. A provision dealing with the issue of **work environment** is present in the agreement between the Government of British Columbia and the Union of Psychiatric Nurses and the British Columbia Nurses' Union which provides for the implementation of a prevention program designed to minimize the risk of violence to employees.

Training and Development

The remainder of the contracts reporting an innovative practice (20 per cent of settlements) contain clauses related to training and development. For example, various **professional development allowances** which may be banked for up to three years or borrowed from in advance for up to a five-year period are

provided to professors, 12-month lecturers and instructors at the University of British Columbia. In addition, following each six-year period of employment, faculty members are eligible to apply for **paid study leave** at 90 per cent of their salary for a six-month duration or 80 per cent for a 12 month leave, effective on July 1, 2000. The City of London and CUPE, Local 101 have negotiated a **training benefits program** related to technological change which provides skills development opportunities during working hours. A **skills upgrading plan** which may include external courses is also being developed. AT&T Canada LDS

and the CAW, Local 2000, provide an example of the implementation of an education fund.

The Workplace Information Directorate will continue to provide a synopsis of innovative workplace practices reported in recent settlements in future issues of the Workplace Gazette. For more in-depth analysis on workplace innovations, please consult the Workplace Innovations - 1996 Overview available in electronic format on diskette or via the Internet, or contact the Workplace Information Directorate directly at 1 800 567-6866 or (819) 997-3117.

ALCAN: AN 18-YEAR PARTNERSHIP AGREEMENT!

*Collective Bargaining Settlement Section
Workplace Information Directorate
Human Resources Development Canada*

On February 18, Alcan Smelters and Chemicals Ltd. and two unions (15 locals are affiliated with the Fédération des syndicats du secteur de l'aluminium inc. and two with the Steelworkers) ratified a master agreement relating to operational stability for a term of 18 years, that is, for the duration of Alcan's smelter modernization program in Quebec (Jonquière, Alma, Shawinigan and Beauharnois). The announcement of the construction of a new \$2-billion plant in Alma to replace the one at Isle-Maligne is part of this modernization plan. The unions at the Isle-Maligne smelter had ratified a similar agreement in January.

With this agreement, which covers the various groups of the company's employees in Quebec (5,200 in total), the parties agree to make every effort to renew collective agreements without resorting to traditional power struggles. The agreement stipulates that future collective agreements, a number of which do not expire until October 1998 but which should be renewed by May, will be for five years, that is, they will be effective to December 31, 2003.

The agreement is also designed to establish better working relations (cooperative approach in discussions, joint information and problem resolution, where possible, at the local level); increase employee

involvement (continuous improvement through team work and development of employee skills in addition to appropriation by the employees of the organization's business issues and goals); and improve job security (protection of permanent jobs and regular discussions on the status of temporary or seasonal employees).

The other key element in this agreement relates to compensation; the aim is to create a pay system that is more equitable from both an internal and industry competitiveness point of view. With this in mind, a common job evaluation system for the various Alcan smelters will be developed, and a large cross section of companies in Quebec that utilizes the bulk pay system will be examined. In addition, a flexible pay system based on corporate performance by Alcan and its various business centres will be introduced. To this end, mechanisms are to be established for jointly determining the annual wage increases to be paid to employees.

A final component of this master agreement is to identify in each business centre the approaches most likely to achieve productivity and efficiency gains.

WORK REORGANIZATION AT THE ALLIANCE FOREST PRODUCTS INC. MILL IN DONNACONA, QUEBEC FROM 1990 TO 1997¹

Reynald Bourque, Lynn Hamel and Carole Julien
École de relations industrielles
Université de Montréal

This case study examines an experiment in union-management cooperation in work reorganization at the Alliance Forest Products Inc. pulp and paper mill in Donnacona from 1990 to 1997. Our analysis covers the conditions that promoted union involvement in work reorganization, the main organizational changes introduced during this experiment, the problems encountered during the process, and the factors that contributed to continuing union participation in managing work organization. The references used in drafting this case study consisted of various union and management documents, the letters of agreement and collective agreements negotiated by the parties over the past decade, as well as the information gathered from interviews conducted in 1994 and 1995 with two management representatives and 12 union representatives, and an update interview conducted with two union representatives in December 1996 and January 1997.

1 — Characteristics of the mill

The Donnacona pulp and paper mill has been owned by Alliance Forest Products Inc. since 1994. This is a publicly-owned company listed on the stock exchange, created in 1994 when Domtar Inc. sold part of its newsprint and special papers division. The mill has two unions, one representing the blue-collar workers and the second, the office staff. Both unions are affiliated with the Confédération des syndicats nationaux (CSN)'s Fédération des travailleurs et des travailleuses du papier et de la forêt (FTPF). Our study focuses on the union that represents the blue-collar workers, a group comprising 407 production and maintenance employees in January 1997. About 75 percent of the mill's blue-collar employees work in production while the remaining 25 percent are in maintenance (trades). Employment levels have declined since the start of the work reorganization initiative. The number of blue-collar employees remained around 450 from 1985 to 1990, but fell from 417 to 363 between 1991 and 1994. In 1995 and 1996, the number of blue-collar employees represented by the union rose to 405 and 407 respectively. Over the past three years, the Donnacona mill has posted an

average output of about 175,000 tonnes, consisting of 62 percent special papers and 38 percent newsprint. In 1993, the Donnacona mill shipped CDN \$120 million in products, and the volume of shipments rose by about 10 percent between 1993 and 1996. Close to 85 percent of the mill's output is exported, more than 50 percent to the United States.

The mill is divided into two sectors, pulp production and paper manufacture. The pulp sector includes the raw material (chips) receiving, bleaching, decanting, thermomechanical pulp (TMP) departments and the thermal plant. The main operations in these departments are to feed the mill with chips, prepare and refine the raw materials, screen, clean and decant the pulp, and monitor its quality. The thermal plant heats the mill and produces steam for the paper machines. The thermomechanical pulp process was modernized about 10 years ago and is more technologically advanced than the industry average. The technology used to bleach the pulp has a solid environmental performance, which gives the mill a competitive advantage. The steps in manufacturing

¹ This Case Study was carried out as part of a research project headed by Professor Reynald Bourque and funded by the Social Sciences and Humanities Research Council concerning experiences with union involvement and work organization management in unions affiliated with the CSN.

paper consist of preprocessing the pulp, manufacturing and rolling the paper to customer specifications, and storing and shipping the paper. The mill operates three paper machines installed between 1910 and 1920, but these have been modernized through the addition of recent technology, particularly the installation of superposed wires in 1987-1988. Similarly, some finishing operations have been computerized in recent years.

2 — The catalysts for organizational change

The economic conditions affecting the mill in the late 1980s fostered the emergence of a union-management approach to organizational change, to ensure survival of the mill and its jobs. In 1989, demand for the products made by the Donnacona mill showed signs of weakening, at a time when the paper industry was facing declining shipments and prices, especially due to a stronger Canadian dollar. The Donnacona mill was in a particularly vulnerable position since its production costs were higher than those of competing mills, because the paper machines had a smaller production capacity and because this sector of the mill was less technologically advanced than the industry average. The management representatives interviewed in 1994 did point out that the Donnacona mill had been profitable in the past decade, except in 1991, when it posted a small loss. The mill reported a small profit in 1992 and \$4 million in profit in 1993, when output rose to record levels. From 1994 to 1997, the mill earned smaller profits despite the savings in production costs realized by restructuring the mill, due primarily to costs incurred by trials of new products and the weakening Canadian dollar.

Union-management relations before the start of the joint work reorganization initiative in 1991 were fairly adversarial. An average of 48 grievances a year were filed between 1984 and 1990, but some 97 percent of these were resolved without proceeding to arbitration. Over the same period, the settlement of disputes between the parties during collective bargaining for contract renewal proved more difficult, however, and several labour conflicts arose during the 1980s. It must be noted in passing that negotiations on wages and benefits for unions affiliated with the FTPF in the CSN are largely dependent on the outcome of negotiations involving the Communications, Energy and Paperworkers Union of Canada

(CEPUC), which represents most employees in the paper industry in Quebec and Canada. In each round of bargaining, CEPUC negotiates a master agreement on wages with a target company that is then extended to other large companies in the sector and incorporated into the collective agreements of unions affiliated with the CSN. The FTPF coordinates negotiations among the various unions in the paper industry affiliated with the CSN, which have greater autonomy than CEPUC locals.

The bargaining round held in 1984 lasted 13 months and required the intervention of a conciliator. Management offers were rejected three times in general meetings during these negotiations, and the union used pressure tactics. In 1987, bargaining extended over 10 months and also required the intervention of a conciliator. Management offers were rejected twice and the union used pressure tactics, although it was denied a strike mandate at a general meeting of the members. The pressure tactics used during this round of talks were: refusal to perform certain duties, refusal to replace foremen and follow orders from supervisors, and demonstrations at the mill and in town. The employer responded to these tactics with disciplinary notices and about 20 suspensions, as well as a four-day lockout in January 1988.

Before starting the 1990 round of bargaining, the parties made a joint resolution to use the preventive mediation service of Quebec's Ministère du travail to identify the causes of the deterioration in union-management relations over the preceding years, and solutions likely to improve the labour climate at the mill. This mediation was conducted in 1989 and, although it improved trust and cooperation between the parties, they still resorted to conciliation during negotiations to renew the collective agreement, and "light" pressure tactics were used by the union (wearing buttons, peaceful demonstrations at the mill and a 24-hour strike). Shortly after the end of this round of negotiations, which occurred during a crisis in Canada's pulp and paper industry, Domtar management announced the closure of the building materials mill in Donnacona, which had about a hundred employees, as well as major job cuts at the pulp and paper mill. In response to the decision by Domtar's head office to cut back operations at the Donnacona site, union and management leaders at the mill launched a joint initiative to reorganize work and implement measures to cut production costs and save the existing jobs.

3 — Strategic choices

In response to the economic difficulties facing the paper industry in the early 1990s, Domtar management implemented a strategic plan focused on cutting production costs and concentrating the company's operations in the specialized and printing paper sector. At the Donnacona mill, this strategic shift in focus was accompanied by a management request early in 1989 that the union take part in a joint preventive mediation initiative to improve union-management relations. As part of this preventive mediation, the management and union representatives actively participated in developing an organizational diagnosis to identify the main labour relations problems and determine how to improve the situation. The commitments made by the parties led to the establishment of many joint committees in various departments, to find mutually satisfactory solutions to the labour relations problems identified.

On the union side, the strategic shift to job security as the priority was dictated by a series of decisions by the employer that had the effect of cutting back operations in Donnacona substantially. In the 1990 round of bargaining, the employer notified the union that some 20 positions in the maintenance department would be abolished at the end of 1990. In February 1991, management announced that the building materials mill would close permanently in August 1991, and operations in the paper mill would be rationalized to eliminate about 50 positions in June 1991 and another 70 before year's end. In reaction to management plans to cut staff, the union launched a mobilization campaign in March 1991 to ensure survival of the mill and its jobs. The union invited federal, provincial and municipal politicians, management of the mill and residents of Donnacona to a public information meeting that gave rise to a political action committee of union and management representatives, business people and the local elected federal and provincial representatives.

Cooperation between representatives of local management and union representatives on this political action committee opened the way to a partnership in managing work organization throughout the mill. The union's strategic focus also shifted to active involvement in a joint initiative to reorganize work and ensure the mill's survival. The union's members had objected several times in the past to management proposals that could have led

to a reduced staff, particularly the amalgamation of duties in the production sectors (1984, 1986, 1990) and in the trades (1987 and 1989). Union members initially opposed the job cuts announced in 1991, because there were no long-term guarantees for the remaining jobs. However, in the discussions that led to a joint proposal to make the mill profitable, the union accepted rationalization measures it had previously opposed. In October 1991, to solve the problems of profitability, productivity and product quality, the union's leaders accepted an agreement in principle to introduce trades flexibility, amalgamated duties, job rotation, work teams and total quality.

In January 1992, Domtar asked all its unions to reopen the monetary clauses of their collective agreements as well as the process for work reorganization and trades flexibility. Among other things, the company wanted to cancel the wage increase scheduled for May 1992, the vacation bonus, double time for night shift work and the Sunday premium. CSN affiliate unions, including the two unions at the Donnacona mill, rejected management's requests because they were not accompanied by guarantees of new investment. Domtar management's objective was to improve the company's profitability by cutting labour costs rather than investing in technology or human resources. Since 1993, Domtar had divested itself of several mills and had rationalized operations to improve its financial health and competitive position. The sale in May 1994 of part of Domtar Inc.'s newsprint and printing papers division led to the establishment of a new company, Alliance Forest Products Inc., which has since controlled the Donnacona mill. While the arrival of a new management team at the company's head office did not jeopardize the changes introduced at the Donnacona mill, it did force the union to rebuild a relationship of trust with the new management.

4 — The process of organizational change

The process that ultimately introduced a new organization of work at the Donnacona mill was negotiated by the parties under difficult economic conditions. This section presents the main stages in this process of organizational change from the start of the experiment in 1991.

The move toward change

In late 1990 and early 1991, Domtar management announced major job cuts at the Donnacona mill, which mobilized the union to ensure survival of the mill and its jobs. In October 1991, intensive negotiations between union and management representatives resulted in agreement on a joint three-step plan. The first step was to rationalize production to reduce annual labour costs by \$5 million, by eliminating 92 positions over a period of about a year and a half, including 58 blue-collar positions, 8 administrative positions and 26 management positions. The staff cuts were made through attrition as part of a special early retirement program, and layoffs of reserve employees. The parties also defined certain work reorganization measures: amalgamation, expansion and enrichment of duties in the production sectors, transition to self-directed work teams in the TMP and finishing departments, decentralization of decision-making and restructuring of maintenance services. The second step called for modernization of production equipment to make the mill profitable in the medium and long-term, and the third step involved a strategy for financing new investment. This plan negotiated by the union and management representatives was ratified by a large majority of union members on 8 November 1991.

Implementing the changes

Implementation of the changes started the day after the plan was approved by the employees. First, several implementation committees were set up in the sectors most affected: TMP, paper machines, finishing and shipping, and maintenance. Following this, the parties started talks on how to introduce self-directed work teams in TMP and finishing. The changes made in trades flexibility and in teamwork were covered by letters of agreement. The first letter of agreement, signed on 23 June 1992, covered work reorganization and trades flexibility. A second was negotiated in December 1992, on operating methods for work teams in TMP. Implementation of the changes also required the introduction of communication methods, so the parties set up a union-management newspaper in addition to using the company's and union's own newspapers.

After these changes were introduced in 1991 and 1992, the work reorganization process slowed down for a time. In a report produced in April 1993, following

a review session with members of the union's board, the union found that the process of change was stalling, many union and management players were losing momentum, and some employee groups were showing resistance to the proposed changes. At the union's request, both parties agreed to call in the mediation service of Quebec's Ministère du travail to help them take stock of the work reorganization and prepare an action plan to continue the process. The two mediators met with about 30 members of the union on 27 October 1993, and 24 representatives of management on 29 October 1993, to discuss three topics: support for the aims developed by the survival committee, work reorganization, and the parties' changing roles. This exercise helped consolidate the progress achieved with work teams in TMP and finishing, and in trades flexibility. It also helped the parties reach an agreement on operating methods for the joint committees that provided a framework for the union-management cooperation process. This agreement, which was annexed to the 1993-1996 collective agreement, identified joint objectives, the parties' joint and specific responsibilities, as well as the operating method for the joint work reorganization initiative.

Since 1994, regular progress reports have been produced to identify the main achievements and the major difficulties encountered in the joint process of managing work organization. The minutes of a progress review meeting held by the parties in November 1996 report that the parties found the process was rather cumbersome, the performance targets were poorly defined and workers felt excluded from the work reorganization process. At this meeting, the parties renewed their commitment and proposed measures to revitalize the structure and update the work tools. The report states that about 30 employees will receive training, and a support committee of four people with more advanced training will be set up. This support committee has a mandate to monitor the work of the other committees, attend their meetings and, if necessary, review their reports; to resolve problems referred to it by other committees; and to follow up on their activities.

However, the union representatives interviewed in December 1996 and early 1997 believed that the work reorganization process had not yet found its second wind. At a meeting in December 1996, one union representative even cited some backsliding in certain departments since 1994. According to this person,

union-management cooperation had declined since the start of the joint process to implement the organizational changes. In addition, joint committee meetings were increasingly infrequent and it was difficult to find union representatives for these committees, as members were losing interest because the process of change was stagnating.

5 — The main organizational innovations

The Donnacona mill underwent several organizational changes prior to the joint experiment launched in 1991 to manage work reorganization. In 1984, technological changes resulted in elimination of some TMP jobs. In 1986, the employer abolished foreman positions and transferred part of these responsibilities to unionized employees in this department. During negotiations on renewing the collective agreement in 1987-1988, the employer proposed a classification guide for maintenance employees that involved decompartmentalization of trades. However, these unilateral proposals by management were rejected by the union members. The work reorganization project introduced in 1991 was very different, because it was developed jointly by both parties. In the face of Domtar's attempts to divest itself of some of its mills, local management and union representatives at the Donnacona mill wanted to ensure the mill's survival. The union negotiated measures it had opposed countless times in the past and management agreed to share responsibility with the union for managing work organization.

The union representatives interviewed in 1994 pointed to three reasons for their decision to participate in a joint work reorganization initiative: the risk of the mill closing, improving the mill's competitiveness, and the union's request for changes to secure its members' jobs over the long-term. To these three factors cited by the union representatives, the management representatives added the productivity gains resulting from a new organization of work.

The union and management representatives agreed that all departments and most positions would be covered by work reorganization. However, the nature and scope of the changes differed by sector. The sectors most affected were thermomechanical pulp, finishing/shipping and maintenance. The changes made in the Donnacona mill fall into three categories:

work organization, human resources management practices, and industrial relations. Many changes affected work organization: creation of work teams, trade flexibility, flattening of the organizational structure, expansion and enrichment of duties, and simplification of duties.

Work teams were introduced in the TMP and finishing departments in 1992 and 1993. In 1996, the parties agreed to introduce work teams in the paper machine department, but these teams were not yet in place when we conducted our final interviews with union representatives in early 1997. The introduction of partly self-directed work teams in TMP and finishing effectively expanded and enriched the functions. The elimination of foremen in these sectors also contributed to changes in duties. The work teams now handle the following main responsibilities: distributing work among team members, ensuring quality control, regularly improving quality and efficiency, and determining the various steps to be performed as well as the time to be spent on each task. A job rotation system has also been introduced in TMP. A facilitator coordinates work on the TMP team, and coordination between the team and the immediate superior is handled by the superintendent. A monthly meeting is held with members of the various groups, the superintendent and one member of the implementation committee for this team, to coordinate the work of all team members. In the finishing section, the truck drivers, operators and replacement operators rotate duties. Work planning and distribution are handled by all team members, and the head of the finishing section handles coordination between the team and the immediate superior.

To solve unforeseen problems, the implementation committee for each team provides the link between the teams and the joint steering committee on work reorganization. For some time now, the development of self-directed teams has stalled, but in 1996, the parties began negotiations to continue introducing team work. However, the union is demanding a broadening of work team responsibilities, particularly with regard to the selection of team leaders. According to the union, the facilitator should be chosen by the team, but the employer is reluctant to make this change, especially since the teams have been headed by supervisors since they were introduced in the TMP and finishing departments. The fact that this responsibility is held by an employer representative, however, does hinder development of team dynamics, according to one union representative.

In the service sector, several trades have been grouped into three job classifications: electrical instrumentation technician, building service technician and maintenance worker. This flexibility means that a trades employee performs all work related to an assignment, even if some of the work is the responsibility of other trades, provided he is qualified to perform the work. This principle was included in the 1990-1993 collective agreement. Training was provided to the various trades combined in the first two job classifications and a raise in pay was granted to promote the amalgamation of trades. These changes had been implemented for building service and electrical instrumentation technicians, and were being introduced in the maintenance worker category, when we conducted our case update in early 1997.

According to the union representatives interviewed in early 1997, much remains to be done to achieve the objective of genuine trades flexibility and effective coordination between the trades groups and the self-directed production teams. The main problem is that each work team in both the services and production sectors is responsible for planning its own operations and there is no common senior authority for these two sectors. A flattening of the hierarchical structure has taken place since work reorganization was implemented in 1991. The positions of assistant director, assistant to the superintendent and general foreman have been abolished, thereby reducing the number of organizational levels from six to three. In addition, the number of superintendents and foremen has been cut since 1991.

According to our union interviewees, a broadening and in some cases an enrichment of duties has been achieved in the thermal plant, yard, laboratory and paper machine departments. These changes are primarily the result of job cuts that led to modified duties for the remaining employees. Duties in the paper machine department were simplified as well. The joint committee for this sector was set up following the elimination of several occupations, such as inspector and clothing man, to find work methods and procedures that would simplify and standardize the functions in this department.

The Donnacona mill also tried new approaches to production management. A total quality program is now being implemented and several joint quality improvement committees have been set up at the mill. ISO certification was obtained in December 1995, but the structure for monitoring procedures had not been defined when we met with the union in early 1997.

Since 1993, the finishing and shipping department has operated with just-in-time production management, and this procedure was still in use in early 1997.

Other changes at the Donnacona mill involve human resources management practices. There is a greater willingness to provide information, and communication between the parties has improved as a result of the experiment in jointly managing work organization. However, the union representatives interviewed in 1996 and 1997 found that information was not circulating as freely under Alliance Forest Products as under the former Domtar management. They reported that more hours of training had been given to employees in the past three years. This training covered three different areas: general and specific technical skills, new methods, and safe work habits. In the services sector, the electrical instrumentation technicians have received 400 to 500 hours of training to learn their new trade. In production, training has been provided in line with the introduction of new technology, as well as the addition of duties resulting from the abolition of certain jobs. Training has also been provided to employees in finishing and TMP on the operation of work teams and problem-solving techniques.

The changes at the Donnacona mill have also extended to labour relations. The main change in this area is the union's involvement in developing and implementing new forms of work organization. Major organizational changes were introduced in the Donnacona mill before 1991, but these were dictated by management. Most of the measures implemented since 1991 have been based on the plan developed jointly by the parties. Relations between the parties have improved, union suggestions are considered by management and protests by employees have diminished in recent years, according to the union representatives interviewed in 1997.

Several major changes must also be noted in the approach to collective bargaining. First, the parties have been making greater use of letters of agreement since 1991. This practice was virtually non-existent before ongoing negotiations were introduced in 1991, which led to some 20 letters of agreement during the term of the 1991-1993 collective agreement. Similarly, in 1993 the parties negotiated a long-term collective agreement establishing industrial peace for six years, with renegotiation of the monetary clauses after three years, combined with an arbitration procedure for final offers, in the event of a dispute. Such an extension of

the term of collective agreements, however, was a very widespread practice among CSN affiliate unions in the pulp and paper sector in Quebec during that time.

The union representatives interviewed in 1996 and 1997 found that the change in company management in 1994 appeared to slow the process of jointly managing organizational change. At the information session held in 1994 in Donnacona by the new management to present development plans for the mill, the company's president addressed the employees and thanked them for their contribution to improved productivity. The union expressed disappointment at not being involved in the organization of this day, given the effort made by its directors and members to ensure the mill's survival. Twice, the union asked the new management for a meeting to discuss the joint work organization initiative. In November 1996, the parties met at the union's request to restart the process, but the union representatives found that access to information was more difficult with Alliance Forest Products than with Domtar. The union representatives interviewed in 1996 and 1997 reported that since 1994, the new management had not shown as keen an interest as their predecessors in joint management of work organization.

6 — The effects of the organizational changes

Financial results

The management representatives interviewed in 1994 reported that production costs were expected to drop by more than 25 percent following work reorganization, a savings of about \$135 a tonne. In practice, however, they actually rose between 1994 and 1996, due to experimentation with new production processes and new types of paper.

Organizational efficiency

Product quality improved with work reorganization, ISO certification and just-in-time management. Output and productivity rose until 1994, but then output dropped slightly due to the use of recycled papers, as well as experiments to produce new grades of paper and speed up the paper machines. Before work

reorganization, output was 460 tonnes a day, and in early 1994 it reached 486 tonnes a day. In recent years output has remained stable, around 480 tonnes a day.

Most union activists interviewed in 1994 found that work reorganization had no effect on equipment quality. Between 1994 and 1996, investments were made to upgrade equipment quality, and information obtained from the union representatives interviewed in 1997 indicated that further investment was expected by 1999. The quality of maintenance, however, had not improved as a result of work reorganization, according to these same union representatives.

Organizational results

The number of grievances filed each year declined significantly during the 1990s. On average, 48 grievances were filed each year between 1984 and 1990, but this number dropped to 18, 4 and 1 in 1991, 1992 and 1993 respectively. One union representative interviewed in 1997 confirmed that fewer than five grievances had been filed in the three subsequent years. Before the improvement in labour relations following the preventive mediation conducted in 1989, very few grievances were referred to arbitration, and the situation has improved since 1990. Two factors might explain the reduction in the number of grievances since the early 1990s. First, the closure of the building materials mill and the rationalization of operations in the paper mill, announced by the employer in 1991, no doubt contributed to this decline. Second, active union involvement in the plan to rationalize operations and reorganize work led the union and management representatives to discuss labour relations more openly and seek solutions based on good faith and fairness.

The number of hierarchical levels decreased, which the parties' representatives considered an integral component rather than a consequence of work reorganization. Union and management representatives disagreed, however, on the number of disciplinary sanctions, turnover rates and absenteeism. Most union representatives believed there had been a drop in these numbers, while the two management representatives noted an increase in the number of sanctions and a decline in absenteeism in the finishing department only. This information was gathered in 1994 and has not been updated. The union representatives interviewed in 1994 also found that there was less negative reaction

by workers to management decisions, because the parties had demonstrated their ability to discuss disputes and seek agreement.

The opinions of union representatives on employee perceptions of the company varied and no clear conclusion could be drawn. A slim majority of the union representatives interviewed in 1994 indicated that employee perceptions had not changed since the work reorganization. A minority believed that employees had developed a more positive view of the company, due to greater employee involvement in and accountability for their work, and that there was a greater sense of belonging and pride in the Donnacona mill. However, the positive employee perception apparently has since deteriorated, and one union representative interviewed in 1996 attributed this deterioration to the stalled work reorganization initiative.

Collective bargaining

The approach to collective bargaining has been less adversarial since joint management of work organization was introduced, based on interviews with management representatives and union representatives in 1994, 1996 and 1997. The parties have signed more letters of agreement since renewing the 1990-1993 collective agreement, because they seek to settle problems involving application of the collective agreement as they arise. The 1993 collective agreement has provided a period of industrial peace for six years, and negotiations were held in 1996 on the monetary clauses. The arbitration procedure for final offers stipulated in the 1993 collective agreement in the event of a dispute during wage negotiations was not used by the parties, as a settlement was reached amicably and was ratified by the union members. Since 1993, collective bargaining has required fewer meetings, and the parties more openly discuss their respective positions and the information required by their agents to make decisions. In addition, bargaining strategies and tactics differ from those used in the 1970s and 1980s. During negotiations on renewing the 1993-1996 collective agreement, the parties limited the exchange of documents and attempted to find mutually acceptable compromises based on their initial demands.

The wage negotiations in 1996 also required only a few sessions, and no pressure tactics were used by the union. A union representative interviewed in 1996 explained that during the 1996 renewal, consultations

with members on wage demands did not generate strong protests, since the monetary clauses are dependent on the master agreement and since the parties have little flexibility at the local level. According to this union representative, the extended term of the collective agreement had a negative impact on union members, since members would now have to live with their working conditions for a longer period before they could improve them. He did believe, however, that due to the economic hard times facing the mill, the six-year period of industrial peace was necessary in 1993, to attract new customers and find a future buyer for the mill.

Individual results

The content of the work of most unionized employees was changed by the abolition of unionized positions and the disappearance of many foreman positions. The duties of trade employees were also changed by application of the clause on mutual assistance among employees in each trade classification, introduced into the collective agreement in 1993. Both the union and the management interviewees found that the workload of production employees had increased under work reorganization, but opinions were split on the workload of trades employees, which most union representatives believed had not undergone major changes.

Work reorganization had an impact on employee satisfaction and motivation, but to varying degrees in different departments. Most union representatives reported that production employees were more satisfied and motivated, because they had greater responsibility and a wider range of duties than before. On the other hand, the union representatives from maintenance services found that trades employees were less satisfied with their work, and opinions differed among the union representatives on the motivation of trades employees. The union and management interviewees agreed that it was hardest to introduce work reorganization in maintenance services, because a large majority of workers in this sector had reservations about trade flexibility.

Worker involvement increased as part of work reorganization in 1991. The union and management representatives interviewed in 1994 believed that this involvement was evident in the daily management of work and on the various joint committees. Employees were also taking on greater responsibility for decisions that directly affected their work. For example,

employees in TMP and finishing were working in teams and were very involved in the various aspects of planning and executing their work. In 1994, almost 70 employees were involved in the work of various committees, such as the committees for quality, implementation of change and quality improvement. Since 1995, however, employee involvement had fallen off and it was difficult to recruit new committee members, according to the union representatives we met with in 1996 and 1997.

A majority of the union sources interviewed in 1994 believed that cooperation and mutual assistance among workers in the same sector had increased. A minority found, however, that relations were more strained, because some employees were monitoring the quality and quantity of their coworkers' output. The union interviewees from the services sector found that there was friction between the production and services workers. According to the union interviewees questioned in 1994, 1996 and 1997, the production foremen were consulting more with workers. Despite the cut in the number of foremen, their role had not changed but relations were in fact better than before work reorganization, in their opinion. In the services sector, the union sources interviewed in 1994 believed that the foremen were not consulting more with workers than before. From 1994 to 1996, the role of foremen in the maintenance services sector did not change, according to the union representatives interviewed in 1996 and 1997.

In 1994, the union interviewees indicated that work reorganization had no effect on the qualifications required at hiring. In 1996, however, the union's president pointed out that the employer now required a paper worker's diploma as a condition of hiring for production employees. However, this requirement was not related to work reorganization, but to the fact that such training was now widespread and easily accessible.

Certain wage measures were also introduced as part of work reorganization. In the maintenance sector, a reduction in the number of classifications combined with monetary incentives for obtaining technical training were introduced in 1993, and wage adjustments were also granted for the amalgamation of trades. These measures created dissatisfaction among the production employees, whose efforts to improve productivity had not yet been rewarded with a wage bonus, especially since trades flexibility had not actually been achieved subsequently, according

to several union interviewees. However, when Alliance Forest Products took control of the mill in 1994, the new management introduced a financial incentives program for all employees, based on a mixed indicator reflecting the increase in volume and quality of annual output. In 1995 and 1996, this program generated individual bonuses, not included in wage scales, that ranged from \$1,400 to \$2,400 per employee, based on the number of hours worked each year. Wage adjustments were also made for some production positions in 1994.

7 — Keys to success and continuation of joint management of work organization

The union and management representatives interviewed as part of our study agreed that the four keys to a successful reorganization of work at the Donnacona mill were union-management cooperation, free exchange of information, involvement of workers and managers, and a shared determination to make the Donnacona mill a world-class facility. The union's representatives also found that active union involvement as well as intervention on several occasions by the preventive mediation service of Quebec's Ministère du travail had also contributed to the success of the process of change. Mill management in turn believed that Domtar's expertise and strategic vision were key factors in implementing the 1991 work reorganization.

Before the start of the joint work reorganization initiative, management had already been attempting for a few years to introduce unilateral changes. The CSN had also been keeping its unions informed since the early 1990s through publications, conferences and training sessions. These conditions fostered a rapprochement of the parties, but without doubt, the real catalyst was the new awareness by union and management leaders at the mill that it might close if major changes were not made to cut production costs. Since the early 1990s, Domtar had wanted to shed some of its mills in the newsprint and printing papers division, including the Donnacona mill, and that mill had posted a loss in 1991. This difficult economic situation was definitely the main catalyst for introducing the joint work reorganization initiative at the Donnacona mill.

The union's willingness to take an active role in correcting the mill's financial situation was also an

important factor in the success of this initiative. When faced with management cuts to staff and the mill's production capacity, the union reacted decisively by seeking the support of politicians and local residents, and by helping to form an action committee with representatives from local management, the union, and social and community groups, to ensure the mill's survival. The union leaders also sought and obtained from members a mandate to negotiate with management on measures to cut production costs and protect as many jobs in the mill as possible. These negotiations led to an early retirement agreement for about a hundred employees, and the protection of about 75 percent of the mill's jobs. This agreement also provided for the implementation of work reorganization measures that achieved substantial reductions in production costs.

However, the arrival of a new management team in 1994 appears to have slowed the process of jointly managing work organization. This slowdown is attributable partly to the organizational learning curve inherent in a change in management, but also to the fact that the union officials and employees involved in

joint work reorganization committees have lost steam. To this list of difficulties we must also add the reluctance of some employees, primarily in maintenance services, to accept work reorganization and work flexibility. This growing resistance by some employees, combined with less interest by the new management in participatory management structures, led to relative stagnation of the work reorganization process between 1994 and 1996. However, union and management representatives took part in a preventive mediation initiative in 1996 to review the progress made and revive the work reorganization process. As part of this preventive mediation initiative, the parties agreed to introduce new work teams in the production sector and to consolidate the trades flexibility program. According to the union representatives interviewed in early 1997, there was no guarantee that joint management of work organization could be revived, in view of the difficulties that had emerged in recent years. Given the way this experiment in union-management cooperation has evolved, we can conclude that the future of the process of organizational change started in 1991 is largely dependent on the success of this 1996 revival attempt.

DISABLING BARRIERS, ENABLING PRACTICES: THE NATIONAL WORKPLACE EQUITY SYMPOSIUM FOR PERSONS WITH DISABILITIES¹

Abdou Saouab

Senior Policy Analyst, Workplace Equity Policy,

Strategic Policy and Partnerships,

Labour Program

Human Resources Development Canada

Introduction

An excessive preoccupation with economic issues in the last two decades (e.g., deficit, world wide competition for scarce markets and resources, cost of social programs) has generated a growing interest in equity / equal opportunities issues with respect to minority groups, including persons with disabilities. In this context, the disability movement emerged as an important force of social, political and cultural change in major Western democracies.

In Canada, this context provided the arena for a strong debate on employment equity for persons with disabilities and other designated groups. The debate led to major positive changes in federal legislation and a growth in the importance of public education and awareness to further explain and emphasize that workplace equity benefits, not only persons with disabilities, but all employees by promoting and supporting fairness and equal opportunities for all.

The debate is not over yet and the need for sustained efforts to ensure the removal of barriers to the employment of persons with disabilities is still strongly felt. It was under the Minister of Labour's mandate to conduct public education programs and increase awareness of employment equity that a National Workplace Equity Symposium for Persons with Disabilities was organized by the Labour Program, Human Resources Development Canada. The objective of the Symposium was to bring interested individuals and institutions together to discuss disability issues, share views on best practices and consolidate partnerships that are a strong and useful instrument for the creation of equal opportunities for persons with disabilities.

The purpose of this paper is to provide an overview of the key issues raised and recommendations proposed by speakers and participants in the Symposium.

1 — The Socio-economic Dimension of Disability

Speakers and participants in the Symposium noted that although governments have intervened in the labour market to promote the employment of persons with disabilities through legislation, policies and programs (e.g., *Employment Equity Act*, affirmative action programs, income security and training programs), statistics indicate that great gains are not taking place for persons with disabilities.

There is ample evidence, however, that persons with disabilities are willing and able to enter the paid labour market but are prevented from doing so by barriers to employment, including prejudices, that continue to exist in Canadian workplaces.

Population Trends

Persons with disabilities make up the largest single block of under-utilized workers in Canada and this segment of the population is growing². Almost 4 million Canadians of working age (15 and more), representing 17.8 percent of the Canadian population reported some form of disability in 1991.

¹ The Symposium took place in Ottawa on January 25-27, 1998. It was organized in partnership with the following departments and organizations: Office for Persons with Disabilities (HRDC), Public Service Commission, Treasury Board of Canada, Indian and Northern Affairs Canada, Canadian Human Rights Commission (CHRC), Industry Canada, Health Canada, Canadian Bankers Association, Nortel, IBM, Canadian Labour Congress, Canada Post Corporation, and Bell Canada.

² According to Statistics Canada's Health and Activity Limitation Survey (HALS), 4.2 million Canadians of all ages reported some form of disability, up from 3.3 million or 15.5 percent in 1986.

The growth rate of the population of persons with disabilities increased dramatically relative to the growth of the Canadian population between 1986 and 1991, 27.3 percent versus 3.4 percent. By the year 2016, it is expected that 60 percent of people with work disabilities will be aged 45 to 64, up from 48 percent in 1996.

These trends raise important policy issues. If persons with disabilities are not accommodated in the labour force, costs to governments and society will increase commensurately.

Persons with Disabilities and Labour Force Participation

Labour force participation rates of persons with disabilities have historically been lower in comparison to persons without disabilities. As noted in a presentation by Gail Fawcett, Research Associate at the Canadian Council on Social Development, the participation rate of persons with disabilities increased from 49 percent in 1986 to 56 percent in 1991. Most of the increase occurred among those with mild disabilities. By comparison, the rate for participation for persons without disabilities increased from 78 percent to 81 percent for the same period.

In 1991, only about 12 percent of persons with disabilities aged 15 to 64 had some form of disability that could not be overcome by the use of a technical device. Yet, less than half of persons with disabilities in this age group were employed, compared to approximately 70 percent of non-disabled persons.

Persons with disabilities had also experienced a more difficult time finding a job in 1991 as reflected by an unemployment rate of 14.4 percent compared to 9.8 percent for those without disabilities. Again persons with severe disabilities were the most affected. As Gail Fawcett pointed out, the unemployment rate among this group rose between 1986 and 1991 from about 22 percent to 28 percent. At the same time, the unemployment rate of persons with mild disabilities decreased from about 15 percent to about 12 percent.

The HALS data (1991) show that 47 percent of unemployed persons with disabilities wanted full-time jobs, 27 percent part-time employment and 20 percent would accept either type of work.

Survey data also indicate that persons with disabilities not in the labour force are willing and able to work in

the paid labour force. One in five persons with disabilities and not in the paid labour force were actively participating in unpaid volunteer work and over half of these individuals indicated that they had acquired skills that would be useful in finding future paid employment.

Reasons for Non Participation in the Labour Market

In her presentation, Fawcett noted that success in the paid labour force is associated with, "whether the individual with a disability requires some sort of special accommodation on the job or getting to the job." In 1991, the unemployment rate for individuals requiring such accommodations was 29 percent. This rate is three times that for people without disabilities, and twice the rate for persons with disabilities not requiring such accommodations.

Research indicates that many obstacles block tapping the enormous productive potential and desire among persons with disabilities. Specific obstacles include the need for on-the-job accommodation, access to transportation, salaries that are sufficient to offset disability-related costs, and a change in negative attitudes held by society at large.

Persons with Disability in the Federal Workforce

Bill Chandler, an economist with the Department of Finance, noted that in 1997, persons with disabilities made up 3.7 percent of the total Public Service, up from 3.1 percent in March 1996, but still below their workforce availability rate of 4.8 percent.

Other concerns raised included the concentration of persons with disabilities in term positions and the difficulties with retaining younger employees with disabilities. In recent years, those aged under 24 have disproportionately left the Public Service.

Senior representatives of the Treasury Board of Canada (TB) and the Canadian Public Service Commission (PSC) at the Symposium indicated that there has been progress for persons with disabilities in the federal Public Service, but felt that much needs to be done to realize more equitable representation of members of this designated group.

The PSC, for example, emphasized its role in assisting front-line federal departments with entry level recruitment of potential employees seeking opportunities in the federal Public Service to improve

representativeness and shift organizational culture. The PSC also assists other federal employers by allocating Special Measures non-salary dollars to each region to assist departments in providing job accommodation and technical aids for persons with disabilities. These measures mainly cater to the needs of persons with severe disabilities. When the PSC provides 100 percent of funds, technical aids, equipment and/or furniture will be mobile with the employee wherever reasonable, during the employee's tenure with the federal Public Service. Mobility outside the federal Public Service may be allowed in exceptional cases (e.g. during an assignment through Interchange Canada).

In addition, the PSC provides funds for major renovations to facilities (e.g., ramps, renovations to work sites, work stations, washrooms) in order to make them more accessible. Other funds for job accommodation services, intended for temporary relief only, include cost-sharing for the salaries of attendants, readers or coaches. However, federal departments are encouraged to provide their own long-term support for services such as the ones mentioned above.

The PSC tries to implement fairness in its own processes by ensuring timely reappointment of individuals who are disabled while employed with the federal Public Service.

In noting TB's commitment to removing barriers to the employment of persons with disabilities, Kay Stanley, the Assistant Secretary, Treasury Board Secretariat, highlighted measures such as the provision of technical aids, attendant and other specialized services "to ensure that the identified employment-related needs of employees with disabilities are met, within reason." Treasury Board's policy requires that departments and agencies must:

- consult with employees with disabilities and, where appropriate, medical authorities and rehabilitation consultants, to determine the need for attendant services, technical aids or other specialized services or accommodation;
- provide services or equipment considered necessary to enhance his/her abilities, career opportunities, and productivity;

- cover the cost of the technical aids and specialized services provided to indeterminate employees and, where reasonable, to term and seasonal employees;
- cover the cost of attendant services arranged on a contract-for-services basis between the department or agency and the service provider;
- communicate their willingness to provide the services of an attendant, work-related technical aids, or other specialized services or assistance if required by employees with disabilities.³

Kay Stanley also identified a series of steps for making the workplace more equitable for persons with disabilities, including

- establishing self-identification awareness and incentive strategies;
- raising employee awareness with regard to the daily realities of colleagues with disabilities;
- making expert evaluation available to employees with disabilities, and working with each employee to implement the recommendations;
- ensuring that required equipment is acquired quickly; and
- reviewing progress annually.

These efforts and measures are motivated by a strong recognition by the PSC, TB and other federal departments and agencies of the many barriers that still exist to the employment of persons with disabilities. The federal government also recognizes the benefits of integrating persons with disabilities into its workforce. As stated by Kay Stanley in her closing remarks at the Symposium: "A lot can be learned from the way persons with disabilities overcome obstacles. Persons with disabilities bring a unique perspective to life through their abilities, enhance our decision-making and enrich our society".

The *Employment Equity Act* incarnates the principles and practical ideas to redress this situation in federally-regulated workplaces. The following is a discussion of the Act and its implication for persons with disabilities.

³ Provision of Services for Employees with Disabilities. Treasury Board Manual, Personnel Management, Human Resources, Chapters 1-5 (01-09-91).

2 — The Legal Dimension of Disability

Purpose and Scope of the Act

The purpose of the 1996 *Employment Equity Act* is to ensure that “no person shall be denied employment opportunities or benefits for reasons unrelated to ability and, in the fulfillment of that goal, to correct the conditions of disadvantage in employment experienced by women, aboriginal peoples, persons with disabilities, and members of visible minorities by giving effect that employment equity means more than treating persons in the same way but also requires special measures and accommodation of differences.”

Addressing Systemic Discrimination

The Act deals mainly with indirect, unintended or systemic discrimination, that is discrimination embedded in the beliefs, norms, values, and practices of social institutions (e.g. standardized recruitment tests and promotion criteria can have the adverse effect of screening out persons with disabilities).

Thus, under the Act, employers are required to identify and eliminate barriers to the employment of four designated groups who have historically been disadvantaged in the workforce. Employers are also required to move towards a representative workforce. To this end they are required to put in place and implement an employment equity plan containing goals for the hiring, retention and promotion of designated group members. The plan must also contain positive policies to address under-representation, including the provision of reasonable accommodation. The concept of “reasonable accommodation” is understood as any adjustment that creates an equal opportunity for a person with a disability to accomplish the essential parts of a job.

The Duty to Accommodate

In his presentation, William Pentney, General Counsel with the Canadian Human Rights Commission, explained that the “duty to accommodate short of undue hardship” means that “some hardship is due” and that employers are required to go beyond the norm.

In addition, William Pentney noted that every Canadian has the right to counsel under the *Canadian Charter of Rights and Freedoms* (Charter), and police officers have the duty to inform individuals of that right. He asked the group to imagine what would happen if that duty only existed if you asked for it, explained why

you needed it, and if it was not too much trouble for the officer. This is the situation faced by persons with disabilities today. They must go to their employer, explain what their accommodation needs are and why they are needed and, in some cases, provide an estimate of potential costs. This has fostered a “confessional” environment within which persons with disabilities must operate, despite the fact that by law, the onus is on employers. In reality, the onus is on persons with disabilities.

Connection to Human Rights and the Charter

As noted by William Pentney, there exist a strong connection between the *Employment Equity Act* and the *Canadian Human Rights Act*. The principles of the first derive from the second whose fundamental objective is to protect certain groups of individuals from acts of discrimination (in employment and access to public goods and services) based on prohibited grounds such as disability, race, national or ethnic origin, colour, religion, age, sex, marital status, family condition or an offence for which a pardon was granted.

It was also pointed out in the discussion that in examining equality rights issues, the Court indirectly links these rights for persons with disabilities to the *Charter*. In fact, section 15 of the *Charter* states that:

15.(1) Every individual is equal before and under the law and has the right to the equal protection and equal benefit of the law without discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.

15.(2) Subsection (1) does not preclude any law, program or activity that has as its object the amelioration of conditions of disadvantaged individuals or groups including those that are disadvantaged because of race, national or ethnic, origin, colour, religion, sex, age or mental or physical disability.

Employers Obligations under the *Employment Equity Act*

In his presentation, David Lepofsky, Counsel in the Crown Law Office, Ontario Ministry of the Attorney General, explained that the results of equity legislation can be improved by identifying and strengthening its weaker elements. An employment equity strategy,

argued Lepofsky, must be tailored to the specific needs of persons with disabilities. He stressed that this strategy must have a bottom-line focus, based on the number of barriers removed, the number of persons with disabilities brought into the workforce, and the number kept in the workforce during downsizing.

The *Employment Equity Act* of 1986 was less specific on the duty to accommodate and on employers' obligation to implement employment equity in their workplaces. However, under the 1996 Act, employers are required to:

- 1) collect workforce information and conduct a workforce analysis in order to identify the degree of under-representation of members of designated groups (paragraph 9(1)(a));
- 2) review their employment systems, policies and practices to identify employment barriers (paragraph 9(1)(b)); and
- 3) prepare a short-term plan containing appropriate measures to remove employment barriers and specifying positive policies and practices and reasonable accommodations, as well as numerical goals and timetables for hiring and promotion to correct under-representation.

The Act also recognizes the importance of management/employee-representatives consultation on and collaboration in implementing the principles of equity in the workplace.

Education as a Supplement to Legislation

While recognizing the merits of the *Employment Equity Act* as a vehicle of political and socio-cultural change, keynote speakers and participants at the Symposium also stressed that many of the barriers to full inclusion of persons with disabilities in society exist outside employers responsibility (e.g. accessibility, education, housing, medical services, social programs).

With respect to the workplace, education and communication strategies are key elements in explaining the goals of the legislation and raising awareness about disability issues in relation to equal opportunities for all Canadians. This argument was reinforced by the Honourable Lawrence MacAulay, Minister of Labour, when he stated in his speech that legislation alone will not achieve equal opportunities

for persons with disabilities. Education and public awareness are vital instruments to the realization of full integration of persons with disabilities in the workforce.

Traditionally, public education includes the collection, analysis and distribution of important facts and ideas about disability issues. The organization of conferences, fora and symposia, including the one discussed in this article, are recommended tools for sharing information that can change attitudes and influence public and organizational policy.

In terms of what the content of public education should be, ideas are abundant. Depending on who the audience is, one can choose to talk about ways of identifying and removing barriers to the integration of persons with disabilities; improving the self-identification process for the purpose of the Act; sensitizing employees to equity issues by explaining the goal of the Act and its potential benefits for all; and establishing the business case of workplace equity.

3— Measures Identified to Ensure Integration

Specific Measures and Activities

The Symposium provided an opportunity for sharing views and ideas about existing barriers and ways of removing them through the implementation of workplace equity and equal opportunities strategies. Key recommendations included the following:

Need for data on persons with disabilities

- supporting and implementing a survey on persons with disabilities to ensure government policies and programs are supported by informed decision making.

Implementation of tested best practices

- learning from and implementing workplace practices that have been identified by dedicated and experienced organizations and their partners.

Establishment of a proactive approach

- making more efforts in recruiting, retaining and promoting persons with disabilities;
- ensuring managers are recognized for initiatives which support and promote the integration of persons with disabilities in the workplace; and
- assessing the introduction of new workplace changes in order to prevent the creation of new barriers.

Education and Information

- increasing awareness of disability issues among managers at all levels;
- encouraging employers to put into practice the principles of equity;
- providing training that is tailored to the specific needs of persons with disabilities; and
- improving the availability of information in alternate format, including in particular information necessary for undergoing competency exams and participating in competitions.

Accountability and Timeliness

- ensuring that managers are held accountable for decisions they make regarding the hiring, retention and the accommodation of persons with disabilities;
- identifying and removing environmental and attitudinal barriers to employment of persons with disabilities;
- providing timely accommodation in close collaboration with persons with disabilities;
- ensuring an early return to work of employees with disabilities; and
- building new partnerships to further improve the integration process of persons with disabilities.

Linking Employment Equity to Citizenship

In her address, the Honourable Lise Thibault, Lieutenant Governor of Quebec, argued that as full and equal citizens, persons with disabilities should be included in all dimensions of society. She noted that the myriad of studies, reports and declarations have not yet led to full integration of this group in society. To achieve this goal, she argued, education about disability issues and the implementation of the principles of equal opportunities should start as early as the elementary school so that future generations grow-up sensitive to the need of accommodating each other's differences.

Her Honour also warned that if employers do not consciously assume their social and economic responsibilities in the process of integrating persons with disabilities into the workforce, the state will have to assume the financial cost of social programs designed to offset the consequences of economic and social exclusion. This in turn will force governments to raise taxes to the disadvantage of businesses and consumers alike.

In a similar vein of thoughts, Patrick Watson argued that the major problem of the neo-conservative

"revolution" that first took place in the United States and Great Britain, and has now gained the realm of rhetoric in Canada, is an exaggerated preoccupation with the bottom line issues, that is competition and profit. One result of this preoccupation is that search efforts for consensus are no longer part of the political framework.

This in turn, argued Mr. Watson, has led to an alarming deterioration of community support in our society and has weakened the commitment to the principles of citizenship. He maintained that "citizens" are people who take responsibility and care what happens around them. Citizenship, according to Watson, should be recognized as "sharing in a common project". In other words, the bottom line approach which is usually associated with the pursuit of individualistic interests, should be supplemented and its effect reduced by a revival of citizenship principles, which include the pursuit of collective goals, mutual support and the implementation of equity and fairness in the workplace.

Citizenship is not merely concerned with formal legal rights or formal equality, but also with the conditions under which citizens' rights are actually enacted. The Canadian legislation (*Employment Equity Act*, *Canadian Charter of Rights and Freedoms*, *Canadian Human Rights Act*) recognizes this by explicitly stating that equity and equal opportunity mean more than treating different people in the same way. Equity means that sometimes those differences should be recognized and accommodated.

Conclusion

From keynote presentations and discussions at the Symposium, two key messages retained the attention. The first, is that legislation is strongly needed to ensure the creation of equal opportunities for persons with disabilities. However, legislation alone will not be able to achieve this goal in the workplace unless supplemented by improved communication strategies and proactive public education.

The second message highlights the importance of strong and sustained collaboration and partnerships between governments, businesses, labour, and not-for-profit organizations, in the process of implementing equity legislation and developing policies and programs to ensure full inclusion of persons with disabilities in the workplace and other dimensions of society.

THE UNIVERSAL DECLARATION OF HUMAN RIGHTS AND
FEDERAL LABOUR LEGISLATION

Workplace Equity Policy
Labour Program, Human Resources Development Canada
in collaboration with Labour Program Committee
on the 50th Anniversary of the Universal Declaration of Human Rights

MISSION STATEMENT OF THE LABOUR PROGRAM,
HUMAN RESOURCES DEVELOPMENT CANADA
To promote a fair, safe, healthy, stable, cooperative and productive work
environment that contributes to the social and economic
well-being of all Canadians.

*This year, on the 50th anniversary of the Universal Declaration of Human Rights, it is
an appropriate time for all countries to reflect on past achievements and to commit
themselves to the realisation of human rights for all people in all nations.*

*Throughout 1998, the international community will commemorate the 50th anniversary
of the first international proclamation of the rights and freedoms of all humanity.*

*The Universal Declaration of Human Rights (the "Declaration") was adopted without
dissent by the United Nations General Assembly on December 10, 1948, as an enduring
commitment to human rights. The Declaration contains 30 articles that enumerate
the civil, political, social, cultural and economic rights of all people.*

Workplace Issues and the Universal
Declaration of Human Rights

Many of the rights set out in the Declaration relate to the workplace. Over time, these rights have been included and expanded in the legislation that comes under the Labour Program's mandate. The following table summarizes rights from the Declaration relating to the workplace:

Article 2	Everyone is entitled to all the rights and freedoms in the Declaration without distinction of any kind, including race, sex, colour, language, religion, political or other opinion, national or social origin, property, birth, or other status.
Article 20	Everyone has the right to freedom of association.
Article 23	Everyone has the right to work, to free choice of employment, to just and favourable conditions of work, and to protection against unemployment. Everyone, without discrimination, has the right to equal pay for equal work. Everyone who works has the right to just and favourable remuneration. Everyone has the right to form and join trade unions for the protection of their interests.
Article 24	Everyone has the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay.
Article 25	Everyone has the right to security in the event of disability.

These rights, which relate to the workplace, have a very real and immediate importance to a large proportion of the population, because most people

spend half their waking hours in the workplace. Protecting and promoting these rights constitute the basis of much of the Labour Program's mandate and responsibilities.

Canada's Leadership Role: Federal Labour Legislation prior to the 1948 Declaration

Canadians can be justly proud of the federal government's record in promoting and supporting the key workplace rights contained in the Declaration. Canada was one of the first nations to establish a federal Department of Labour to promote and protect workers' rights and to promote harmonious industrial relations. In fact, long before the adoption of the *Universal Declaration of Human Rights*, Canada was already implementing legislation to promote and support freedom of association as well as just and favourable conditions of work for all.

As early as 1872, the federal government passed *An Act respecting Trade Unions* that made trade unions lawful institutions under Canadian law. This was 86 years before Article 23 of the Declaration enshrined the right to form and join trade unions. In July 1900, the Department of Labour was established under the *Conciliation Act*. A key aspect of its mandate was to assist in the prevention and settlement of labour disputes.

In 1907, the *Industrial Disputes Investigation Act* was enacted. This *Act* provided for compulsory investigation of labour disputes in mines and industries connected with public utilities by three person boards of conciliation representing labour, management, and government. The *Act* also contained a prohibition on work stoppages pending this investigation. As a result of a Privy Council decision in 1925 clarifying jurisdiction issues in labour matters, this *Act* was amended to make it applicable only to federal works, undertakings or businesses.

The right to protection in the event of disability was the subject of the *Government Employees Compensation Act*, passed in 1918, 30 years before the adoption of the Declaration. This *Act* provided compensation for work-related injury to government railway employees, and was administered by the Department of Transport. It later was amended to include coverage of public servants. The Labour Program continues to administer this *Act*, which was transferred to the Minister of Labour in 1950.

In 1935 the *Fair Wages and Hours of Labour Act* was passed, which related to construction undertaken by the federal government, directly or by contract. This *Act* had its roots in the Fair Wages Policy of 1900,

administered by the Department of Labour. It replaced the *Fair Wages and Eight Hour Day Act* of 1930 and expanded its provisions. These are early examples of minimum labour standards legislation in federal jurisdiction.

In 1944, still well before the advent of the *Universal Declaration of Human Rights*, *War-time Labour Relations Regulations* were adopted (Order in Council P.C.1003) which defined the right of employees to form trade unions and established in law the principles of free collective bargaining. By 1948, with the passage of the *Industrial Relations and Disputes Investigation Act*, virtually all the salient features of our current industrial relations legislation were in place in federal jurisdiction in Canada. The same year the UN General Assembly adopted the *Universal Declaration of Human Rights* in 1948, proclaiming rights of critical importance for all workers around the world.

Since then, in response to changing workplaces, production processes, demographics, and increasing globalization, labour legislation in the federal jurisdiction has continued to evolve to facilitate harmonious industrial relations, health and safety practices, and equity in the workplace. The present *Canada Labour Code* applies to employers, unions and employees in federal jurisdiction. Federal jurisdiction industries are usually international or inter-provincial in scope, such as banks, telecommunications and broadcasting industries, inter-provincial and international transportation, and industries declared to be for the general advantage of Canada such as grain handling and uranium mining. The *Code* incorporates many of the principles contained in the Declaration related to workers and workplaces. Part I of the *Code* governs industrial relations; Part II governs occupational safety and health in the workplace and is the only Part that also applies to the federal public service; and Part III governs minimum labour standards. The federal government continues to play a leadership role today through the recent enactment of the new strengthened *Employment Equity Act* and through its current initiatives to modernize the *Canada Labour Code* in close consultation with client groups.

This year, which marks the 50th anniversary of the *Universal Declaration of Human Rights*, provides a timely opportunity to reflect on the achievements of the Canadian government in promoting and protecting fundamental rights of key importance to all workers as set out in the Declaration.

Protection of Workplace Rights since 1948

Freedom of association and the right to form and join a trade union, as set out in the *Universal Declaration of Human Rights*, have been the subject of a number

of federal legislative initiatives since 1948. These initiatives built on the foundation established through earlier legislation, already discussed above, and are summarized in the following table:

Elaborating Articles 20 and 23 of the Declaration: Freedom of Association and the right to form and join a trade union

1948	The <i>Industrial Relations and Disputes Investigation Act</i> was passed. This new <i>Act</i> combined features of the earlier legislation and regulations, including the cooling-off provisions and investigation and conciliation features of the 1907 <i>Industrial Disputes Investigation Act</i> , as well as the labour relations, compulsory conciliation and limited arbitration features of P.C. 1003 of 1944. The Canadian Labour Relations Board was established under the <i>Act</i> to certify new unions and to hear and settle disputes. The Board reported to Parliament through the Minister of Labour.
1967	The <i>Industrial Relations and Disputes Investigation Act</i> was consolidated with other labour statutes as the <i>Canada Labour Code</i> . The industrial relations provisions became Part V of the <i>Code</i> .
1973	The federal government revised Part V of the <i>Canada Labour Code</i> . The new provisions came into effect in March 1973. This legislation made access to collective bargaining easier and extended bargaining rights to previously excluded groups such as supervisors, employed professionals and private police.
1975	The Canada Labour Relations Council, with representatives from organized labour, industry and Labour Canada, was established to promote improved labour management relations.
1978	Amendments to Part V of the <i>Code</i> provided for access to first contract arbitration and an explicit duty of fair representation.
1984	Part V of the <i>Code</i> was amended to provide for mandatory union dues check-off and union management consultation in advance of technological change.
1988	As part of the Revised Statutes of Canada, Part V of the <i>Canada Labour Code</i> , became Part I of the <i>Code</i> .
1995	A Task Force of labour relations experts was established by the Minister of Labour to conduct a comprehensive review of Part I of the <i>Canada Labour Code</i> . Its mandate was to identify options and make recommendations for legislative change that would improve collective bargaining, facilitate labour management co-operation, ensure effective and efficient administration of the <i>Code</i> and address the changing workplace and employment relationship.
1998	A Bill based on the Task Force recommendations is presently being studied by Parliament.

The right to just and favourable conditions of work in Article 23 of the *Universal Declaration of Human Rights* includes the right to a workplace that is safe and where workers' health is protected. The main objective of the *Canada Labour Code, Part II*, is to

prevent accidents and injury to health arising out of, linked with, or occurring in the course of work.

The following table presents some of the key legislative developments since the adoption of the Declaration that have been aimed at workers' safety and the protection of worker's health.

**Elaborating Articles 23 of the Declaration:
The right to just and favourable conditions of work**
Occupational Safety and Health

1966	The <i>Canada Labour (Safety) Code</i> was passed (currently the <i>Canada Labour Code, Part II</i>). It was the first safety statute of general application to industries under federal jurisdiction. The purpose of the legislation was to require all industries under federal jurisdiction to observe occupational safety standards. The legislation gave the Department of Labour responsibility for the development of safety standards and regulations, including the inspection of workplaces.
1978	<p>The Canadian Centre for Occupational Health and Safety was established to promote the fundamental rights of Canadians to a healthy and safe working environment. This national institute is governed by a tripartite council that oversees the organization's delivery of occupational health and safety information needs to all Canadians.</p> <p>Amendments to the <i>Code</i> guaranteed workers under federal jurisdiction the right to refuse to work in unsafe conditions.</p>
1986	<p>Occupational, safety and health regulations were introduced requiring management and workers to establish a joint safety and health committee in each workplace under federal jurisdiction with 20 or more employees.</p> <p>New occupational safety and health regulations were proclaimed into law on March 31. These were designed to make the workplace safer and to reduce the costs of human suffering, compensation and lost productivity.</p> <p>Amendments to Part II of the <i>Code</i> provided for application of federal occupational health and safety legislation to the federal Public Service and employees of certain Crown corporations.</p>
1987	In order to ensure that all employees receive the same protection, further amendments were made to the <i>Code</i> along with industry-specific regulations. This initiative provided coverage to employees working on-board aircraft, trains and ships, sectors that were previously subject to Transport Canada legislation.
1988	The Workplace Hazardous Materials Information System (WHMIS) came into force across Canada on October 31. WHMIS provides information on hazardous materials used in the workplace and balances the worker's right to know with industry's right to protect confidential business information. As part of the Revised Statutes of Canada, Part IV of the <i>Code</i> become Part II.
1996	Amendments were made to the <i>Canada Occupational Safety and Health Regulations</i> in order to address the special workplace safety and health needs of persons with disabilities, including information and warnings in alternate format.

The rights enumerated in Articles 23 and 24 of the *Universal Declaration of Human Rights*, pertaining to just and favourable conditions of work, just and favourable remuneration, equal pay for equal work, limitation on working hours, periodic holidays with pay, and protection against unemployment, are the subject of the present Part III of the *Canada Labour Code*,

which establishes minimum labour standards for federally-regulated employees.

The following table presents some of the key legislative developments in this area since the adoption of the *Universal Declaration of Human Rights* 50 years ago.

Elaborating Articles 23 and 24 of the Declaration: Minimum Labour Standards

- 1956** The *Female Employees' Equal Pay Act* came into effect establishing the principle of equal pay for equal work.
- 1958** The *Annual Vacations Act* came into effect providing employees with annual vacation with pay.
- 1965** The *Canada Labour (Standards) Code* was passed, repealing the *Annual Vacations Act*. It contained improved standards for annual vacation and established standards for hours of work, minimum wages and general holidays.
- 1971** The *Canada Labour (Standards) Code* and the *Female Employees' Equal Pay Act* were replaced by Part III of the *Canada Labour Code*. The new legislation included the equal pay for equal work legislation and contained new provisions providing maternity leave, advance notice of individual termination of employment or pay in lieu, advance notice for group termination of employment, severance pay, and protection against dismissal in the event of garnishment of wages.
- 1978** The *Canada Labour Code, Part III*, was amended to include provisions for bereavement leave, sick leave, protection from unjust dismissal, and refusal to work in conditions or with machinery considered to be unsafe.
- 1982** The *Code, Part III*, was amended, strengthening group termination provisions, establishing a requirement for joint planning committees, and providing improved access to severance pay.
- 1984** The *Code, Part III*, was amended to include extended child care leave, extended unpaid maternity leave with protection for pension, seniority and other benefits, protection from sexual harassment, improved access to general holiday benefits for part-time workers. The amendments also made revisions to unjust dismissal provisions, and gave enhanced protection from discipline due to pregnancy, sick leave and garnishment proceedings.
- 1993** The *Code, Part III*, was amended to provide for:
- Maternity-related job modification, reassignment or unpaid leave to a pregnant or nursing employee where she can demonstrate through a medical certificate that performing any of her job functions may pose a risk to the health of either herself, her fetus or breast-fed child. The provisions apply in situations where the risk is relative to a workplace hazard or to a personal condition. The federal strategy supports pregnant or nursing workers to remain at work in a risk-free environment.
 - Subscription by employers to a private insurance plan which guarantees short-term income replacement for a period of up to 12 weeks for a work-related illness and injury. Under these conditions employees are also protected against disciplinary action.
 - More flexible parental leave which is available to natural or adoptive parents, both male and female.
 - Creation of an administrative wage recovery system which allows for the recovery of unpaid wages.
 - Prohibition against non-statutory wage deductions.
 - Company Directors' liability for unpaid wages.
- 1996** The *Code, Part III*, was amended, changing the minimum wage provisions so that federal jurisdiction employees receive the general adult provincial or territorial rate that exists in the province or territory in which they work.

**Elaborating Article 25 of the Declaration:
Right to security in the event of disability
The Government Employees
Compensation Act**

An important area of activity for the Labour Program is the administration of the *Government Employees Compensation Act*. This legislation implements, for federal government employees, the right to security in the event of disability as set out in Article 25 of the *Universal Declaration of Human Rights*. The original *Government Employees Compensation Act* dates back to 1918, well before the advent of the *Universal Declaration of Human Rights*. It was enacted for the purpose of providing compensation for employment injury to Canadian government railway employees. It provided that such an employee was entitled to the same compensation as a non-government employee would receive under the laws of the province in which the accident occurred. It was amended in 1947, to provide coverage to employees of government companies, corporations and agencies. Coverage was extended to include accidents caused by a wilful and intentional act, and by chance events occasioned by a physical or natural cause. Coverage for industrial diseases was also clarified. Further amendments took place in 1952, to provide for compensating locally-engaged employees in foreign countries when there is no local compensation system. It also gave the Minister of Labour the authority to promote accident prevention and safety programs.

The Labour Program continues to administer this program, working closely with workers' compensation boards in the provinces and territories. Consultations with client groups are currently taking place to consider possible changes to the legislation, maintaining the original intent of the *Act*.

**Elaborating Article 2 of the Declaration:
Non-discrimination**

The right to be free of discrimination in employment, set out in Article 2 of the Declaration, is the subject of two important statutes passed in the past 50 years that have come under the jurisdiction of the Minister of Labour. In 1953, the *Canada Fair Employment Practices Act* made it illegal for an employer to refuse to employ or to continue to employ, or otherwise discriminate against any person in regard to employment or any term or condition of employment

because of race, national origin, colour or religion. This was later incorporated into the *Canadian Human Rights Act*.

The Minister of Labour also has responsibility for the *Employment Equity Act*, an important and relatively new law promoting equality in the workplace. The *Act* targets four groups that experience significant disadvantage in employment – women, members of visible minorities, Aboriginal peoples, and persons with disabilities. This legislation is innovative and original in Canada and around the world.

In 1986, the first *Employment Equity Act* was passed for the purpose of achieving equality in the workplace so that no person is denied employment opportunities or benefits for reasons unrelated to ability. This legislation was based on recommendations contained in the October 1984 Abella Commission report *Equality in Employment*, which documented extensively the employment disadvantage of the four designated groups. Two subsequent Parliamentary reviews of the *Employment Equity Act* resulted in a number of recommendations to strengthen the *Act*. In 1995, a new *Employment Equity Act* was passed, which extended coverage to the federal Public Service and which gave the Canadian Human Rights Commission the mandate to monitor compliance with employer obligations. The Minister of Labour maintains responsibility for enforcing the reporting obligations, requiring employers to report annually on results achieved under the legislation. An Employment Equity Review Tribunal was created to hear and resolve disputes.

Under the *Employment Equity Act* employers are required to identify and eliminate barriers to the employment of the four designated groups, and must move towards a representative workforce. To this end they must put in place and implement an employment equity plan containing goals for the hiring and promotion of designated group members. The plan must also contain positive policies to address under-representation, including making reasonable accommodation.

The Labour Program also administers the Federal Contractors Program for Employment Equity (FCP). Based on the principles of the *Employment Equity Act*, this program currently applies to nearly 800 contractors doing business with the federal government, employing almost a million employees.

Employment equity legislation and programs under the Labour Program go a long way to promoting and supporting people's right to work without discrimination, as set out in the *Universal Declaration of Human Rights*.

Canada's International Commitments: Treadies and Covenants since 1948

As Eleanor Roosevelt, Chairperson of the U.N. Commission on Human Rights, pointed out in 1948, adoption of the *Universal Declaration of Human Rights* was only the first step towards realizing these rights for all people. They had to be implemented through international covenants as well as domestic legislation.

Canada has ratified numerous United Nations treaties and covenants, which elaborate rights contained in the 1948 Declaration in more specific terms. Of particular importance for the Labour Program are the following:

- *International Covenant on Economic, Social' and Cultural Rights*
- *International Covenant on Civil and Political Rights*
- *Convention on the Elimination of All Form of Discrimination Against Women*
- *International Convention on the Elimination of All Forms of Racial Discrimination*
- *Convention on the Rights of the Child*

The *International Covenant on Civil and Political Rights*, and the *International Covenant on Economic, Social and Cultural Rights* have been ratified by more than 130 Member States of the United Nations (U.N.), including Canada. Each of the covenants is monitored by a U.N. committee that reviews the performance of Member States in upholding the provisions. Together with the *Declaration*, these two Covenants form the *International Bill of Rights*.

Canada has also ratified the following key conventions, among others, of the International Labour Organization (ILO), which elaborate rights in the *Declaration* of particular interest to the Labour Program:

- *Freedom of Association and Protection of the Right to Organize Convention (No. 87)*
- *Equal Remuneration Convention (No. 100)*
- *Forced Labour Convention (No. 105)*
- *Discrimination (Employment and Occupation) Convention (No. 111)*

Employment Policy Convention (No. 122)

The federal government has been an active player in the ILO since it was established in 1919. In 1946 the ILO became the first specialized agency of the U.N. It seeks the promotion of social justice and internationally recognized human and labour rights, notably those set out in the *International Declaration of Human Rights*.

The Department of Labour was given the task of organizing Canadian participation in the first annual ILO Conference in 1919 in Washington, D.C. At that Conference, the first six International Labour Conventions which dealt with hours of work, unemployment, maternity protection, night work for women, minimum age, and night work for young persons were adopted.

In 1946 an International Labour Organization Branch was formed in the Department of Labour. Its purpose was to liaise with the ILO on the development of labour policy in consultation with Canadian labour and employer organizations and with provincial departments of labour. The prime responsibility for managing and co-ordinating Canada's participation in the ILO now rests with the Labour Program, which is at the forefront of current efforts aimed at reforming ILO structures, reorienting its activities to better reflect the realities of today's world, and streamlining its management. The Labour Program is presently working with the ILO toward the development of a Declaration on core labour standards and follow-up activities, as well as an instrument relating to contract labour.

In 1994, the *North American Agreement on Labour Co-operation* (NAALC), which complements the *North American Free Trade Agreement* (NAFTA), came into effect. The NAALC commits Canada to promoting 11 fundamental labour principles covering industrial relations, occupational safety and health, and labour standards, and to effectively enforcing its legislation in these areas. Canada assumed the same obligations with Chile in July 1997. Within the Labour Program, the Office for Inter-American Labour Co-operation administers both of these agreements and is responsible for pursuing increased co-operation on labour issues across Latin America.

Forthcoming editions of the *Workplace Gazette* will be looking in depth at some of these areas pertaining to human rights in the workplace which fall under the

The *Labour Gazette* reported in 1949: “Mrs. Eleanor Roosevelt, Chairman of the Human Rights Commission, described the acceptance by the General Assembly of the Universal Declaration of Human Rights, as ‘only the first step.’ ... ‘In the meantime,’ she continued, a great satisfaction should permeate the thoughts of all men, for the great documents declaring man’s inherent rights and freedoms which in the past have been written nationally, are now merged in an international, universal Declaration. Forty-eight nations, through their representatives in the United Nations, have accepted this Declaration as a standard declaration of principles in the field of the rights and freedoms of man. In doing so, the nations have agreed that they would strive for the attainment of these standards. No nation voted against the Declaration, two nations were absent and eight abstained.”

(The *Labour Gazette* was a publication of the Department of Labour from 1900 until 1978. Mr. W. L. MacKenzie King, later to become Prime Minister of Canada, was its first editor.)

Did you know? A Canadian law professor from McGill University in Montreal, John Peters Humphrey, was Director of the United Nations’ Commission on Human Rights and one of the principal drafters of the *Declaration*.

Eleanor Roosevelt Had A Good Point: Mrs. Eleanor Roosevelt, Chairperson of the United Nations’ Commission on Human Rights, which was responsible for drafting the Declaration, said: “Where, after all, do universal human rights begin? In small places, close to home... Without concerned citizen action to uphold them close to home, we shall look in vain for progress in the larger world.”

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WORKING TIME AND RELATED PROVISIONS

Analysis prepared by
Client Information Services
in collaboration with Workplace Information and Publications
Workplace Information Directorate
Labour Program, Human Resources Development Canada

Overview

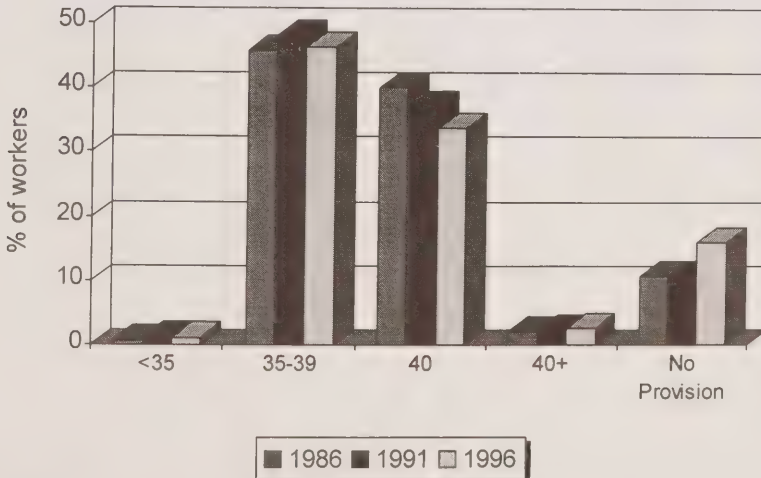
In light of the continuing interest in working time and flexible work arrangements, this analysis provides an overview of working time provisions in major collective agreements. Provisions examined include hours of work, overtime meal allowance, paid meal time, overtime in excess of time and one-half, right to refuse overtime and paid vacation by years of service. The analysis includes a review of progress in provisions over a ten year period, with specific emphasis on 1986, 1991 and 1996.

The methodology for the study involves an analysis of 1,016 agreements covering 2,397,318 employees. Agreements involved refer to bargaining units of 500 or more employees. Sources of information for the data include trends and innovations found in the Workplace Information Directorate settlements report database "Negotech", as well as letters of understanding, collective agreements and memorandums of agreement. This analysis is limited by the reliance on larger bargaining units of over 500 employees. Trends which are found represent only the unionized sector of the economy.

The review involves cross-industry comparisons and particularly focuses on cross-jurisdictional analyses for three industries-public administration, services, and manufacturing. In other instances, Major Industry Groupings for the analysis are broken down into primary industries, manufacturing, construction, transportation, trade/finance, services and public administration.

Figure 1

Hours of Work All Industries — Percentage of Workers



Trends In Working Time

As Figure 1 indicates, the percentage of workers covered by provisions stating a 40 hour workweek has decreased by approximately 6 per cent since 1986, while those working more than a 40 hour workweek has increased only slightly during this same time period.

Close to 50 per cent of all workers work between 35-39 hours. This figure has not changed significantly over the last 10 years.

The number of agreements containing no provisions has risen approximately 5 per cent over the last 10 years. Further research would be needed to identify if this trend is influenced by maximum hours of work legislation.

Working Time — Legislative Approaches

Many jurisdictions have the hours of work standard of 8 per day and 40 per week. Overtime is defined as hours worked in excess of that standard. See Table 1 for the standard workweek prescribed by legislation by jurisdiction.

In a majority of jurisdictions, employers are prohibited from taking any sort of disciplinary action against an employee who chooses not to work beyond a specified number of hours, which usually exceed the standard workweek. However, these jurisdictions make mention of the fact that in emergencies, employees may be expected to work overtime without their prior consent.

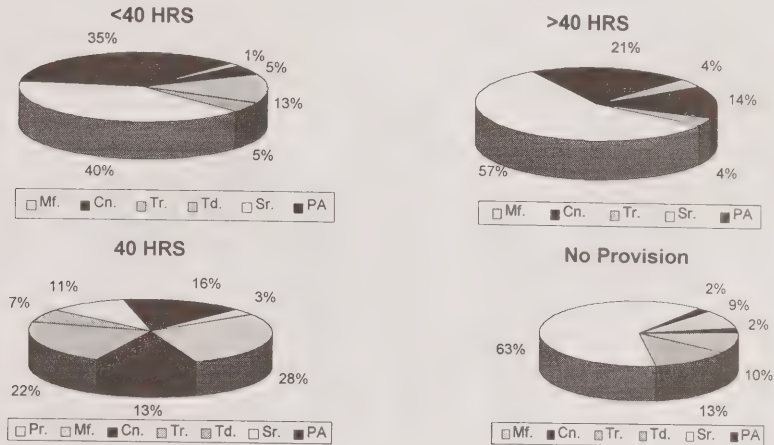
Table 1

	Federal	Alta.	B.C.	Man.	N.B.	Nfld.	N.S.	Ont.	P.E.I.	Que.	Sask.	N.W.T.	Y.T.
Standard	8/day 40/wk.	8/day 44/wk.	8/day 40/wk.	8/day 40/wk.	44/wk.	40/wk.	48/wk.	44/wk.	48/wk.	*43/wk.	8/day 40/wk.	8/day 40/wk.	8/day 40/wk.

* Gradually reduced to 40/wk, through a one-hour reduction effective October 1 in each of 1998, 1999 and 2000.

Figure 2

Cross Industry Comparison of Hours of Work — 1996



Legend:

Cn = Construction

Td = Trade, Finance and Insurance

Mf = Manufacturing

Tr = Transportation, Communication and Other Utilities

Sr = Service

PA = Public Administration

Industry Trends

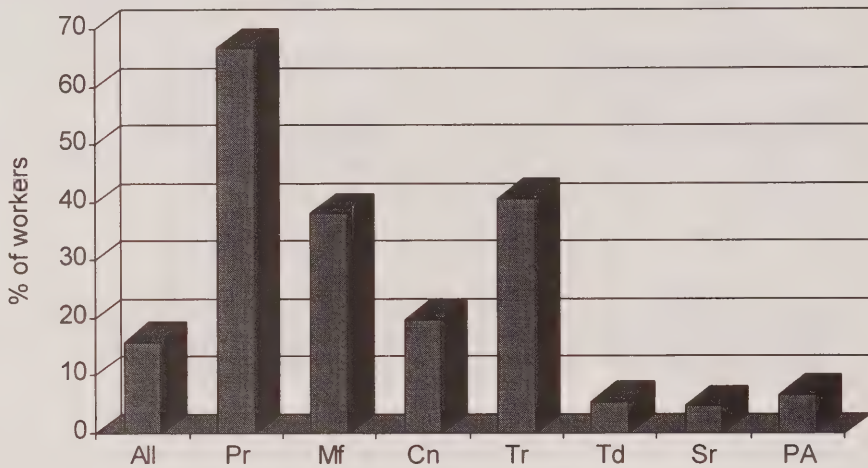
47.4 per cent of all workers work less than 40 hours a week, while only 2.7 per cent of all workers work more than 40 hours per week.

Figure 2 represents the distribution of working time by major industry. For those workers working less than 40 hours, the largest concentration is found in the Service sector (40 per cent.) For those working more than 40 hours, the largest concentration is also in Services (57 per cent). For those working 40 hours per week, the majority are found in Manufacturing (28 per cent) and Trade (22 per cent). Finally, of those workers with no provision, the largest concentration is again located in Services (63 per cent).

See Annex for examples of innovative provisions dealing with banking of regular hours and reduction of hours.

Figure 3

Paid Meal Provisions — All Industries 1996



Legend:

Pr = Primary

Mf = Manufacturing

Cn = Construction

PA = Public Administration

Td = Trade, Finance and Insurance

Sr = Community, Business and Personal Services Industry

Tr = Transportation, Communication and Other Utilities

Paid Meal Provisions

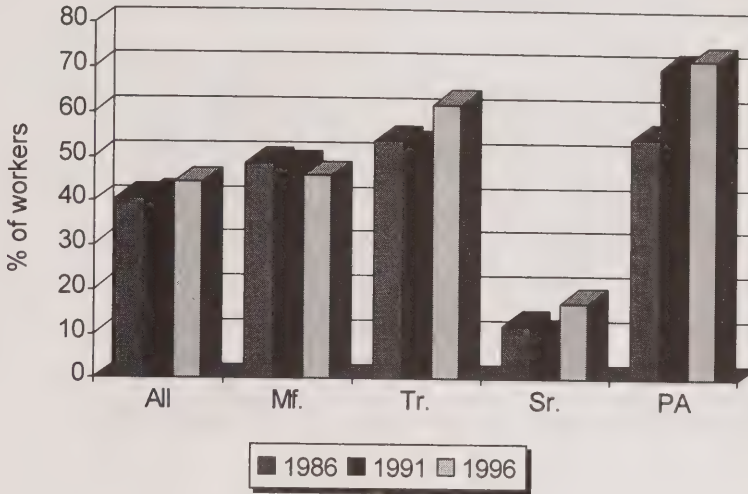
Paid meal time during regular hours was most predominant in the Primary sector where 66.8 per cent of all workers were compensated. This is slightly more than the 1986 figure of 61.1 per cent. (Every agreement in this industry cited a 40 hour work week).

Workers in the Transportation sector was the second group most widely covered with 40.7 per cent of all employees being paid for meal time, down slightly from the 1986 figure of 45.8 per cent.

Public Administration is cited as an industry with a high percentage of workers working less than 40 hours a week. It is also among the lowest percentage of industry employees with paid meal periods, as is the case for Services.

Figure 4

Overtime Meal Allowance — Selected Industries



Legend:

Mf = Manufacturing
Sr = Community, Business and
Personal Services Industry

Tr = Transportation, Communication and Other Utilities
PA = Public Administration

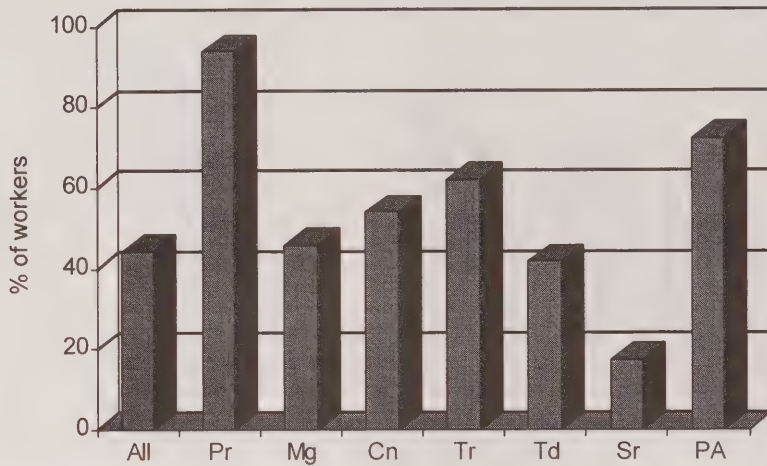
Overtime Meal Allowance

Overall there has been a slight increase in the incidence of this provision. Even though Public Administration is an industry with lower weekly hours (72 per cent of industry workers work less than 40 hours) it remains that this industry has the highest incidence (1991 and 1996) of overtime meal allowance among the industries reviewed.

Services which also have the majority of its industry workers working less than 40 hours has very little incidence of overtime meal allowance provisions.

Figure 5

Overtime Meal Allowance Provision — All Industries 1996



Legend:

Pr = Primary

Mf = Manufacturing

Cn = Construction

PA = Public Administration

Td = Trade, Finance and Insurance

Sr = Community, Business and Personal Services Industry

Tr = Transportation, Communication and Other Utilities

Overtime meal allowances were most prominent in the Primary sector where 93.8 per cent of all unionized workers were covered. In 1986 only 66.9 per cent of all workers in the same industry received some sort of overtime meal allowance.

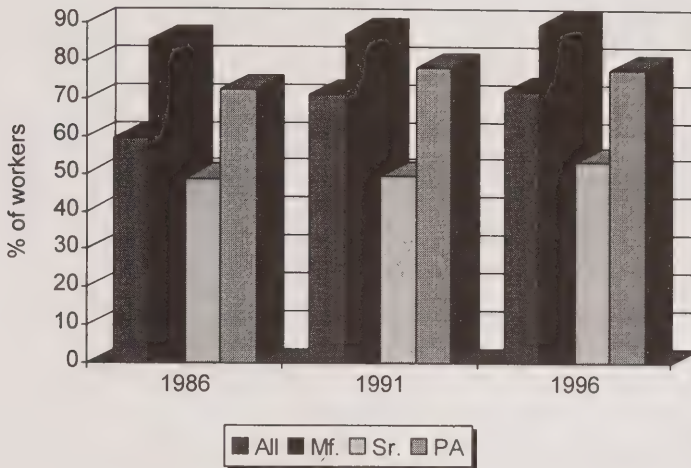
The majority of all workers in the Public Administration sector also receive some type of meal allowance. In 1986 only 54.5 per cent of all workers received some compensation for overtime meal allowances, while in 1996, 72.2 per cent of all workers were covered by such a provision.

Workers in the service industry are the least covered by overtime meal provisions where 17.4 per cent of all workers receive some amount of compensation up slightly from 12.2 per cent in 1986.

In 1996 the largest proportion of workers in each industry received between \$5.00-\$9.99 for overtime meal allowances, whereas in 1986 the largest proportion of workers in Public Administration, Trade and Manufacturing received less than \$5.00.

Figure 6

Workers Covered by Overtime Provisions in Excess of Time and One Half — Selected Industries



Legend:

Mf = Manufacturing

PA = Public Administration

Sr = Community, Business and Personal Services Industry

Overtime Provisions

Of those industries examined, including the total of all industries, the majority of the percentage of workers covered by overtime provisions increased from 1986 to 1996.

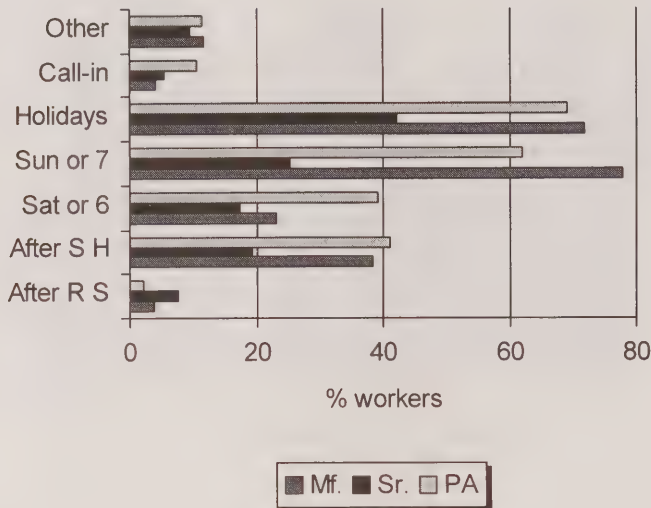
Approximately 90 per cent of all workers in manufacturing in 1996 had specific provisions relating to overtime compensation. While the percentage of workers in manufacturing were the most widely covered by overtime provisions, the percentage of workers in the service industry had the least coverage at 53.3 per cent.

The percentage of workers covered by overtime provisions in Public Administration was the only number to show a slight decrease, between 1991 and 1996. (In 1996, 22 per cent of these workers had no provisions.)

28 per cent of all industry workers had no overtime provisions in 1996 for overtime in excess of time and one half.

Figure 7

**Percentage of Workers Covered by Specified Sub Provisions of Overtime
in Excess of Time and One Half — Selected Industries 1996**



Legend:

Sun or 7 = Sunday or seventh day worked
After SH = After specified hours in a day

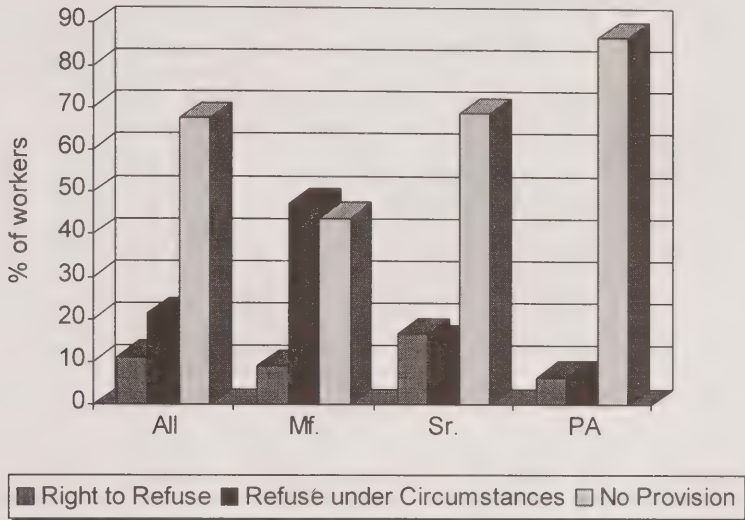
Sat or 6 = Saturday or the sixth day worked
After RS = After regularly scheduled hours

Of the industries examined, as depicted in Figure 7, workers in the Service industry had the least coverage overall, while employees in the Manufacturing sector had the greatest coverage with regard to “holidays” and “Sunday or seventh day worked”.

For all industries (not depicted in Figure 7) the most frequently cited provision was holidays (60.7 per cent) and Sunday or seventh day worked (52.7 per cent). These provisions were the top two cited in 1986, 1991 and 1996. The least most frequently cited provision for all industries was “After Regular Schedule” (11.6 per cent) and “Call-In” (11.0 per cent).

Figure 8

Right to Refuse Overtime — Selected Industries — 1996



Legend:

Mf = Manufacturing
PA = Public Administration
No Prov = No Provision

Sr = Community, Business and Personal Service Industry
Ref under Circ. = Right to decline under certain circumstances

Right To Refuse Overtime

Of the industries examined, the service industry had the largest percentage (16.6 per cent) of workers covered by the right to refuse overtime. Manufacturing by far leads as the industry providing for the right to refuse under certain circumstances. As noted earlier, it is also the leading industry over the past ten years to include provisions regarding overtime in excess of time and one half.

Figure 9

Paid Vacation After Years of Service — All Industries 1996

Three Weeks and Four Weeks Paid Vacation



Paid Vacation After Years of Service

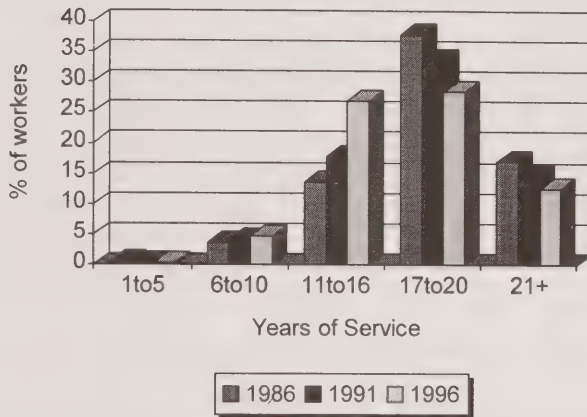
The majority of workers received three weeks vacation after 1-5 years of service, four after 6-10 years and five after 17-20 years.

Figure 10

Paid Vacation After Years of Service — All Industries 1996

Five Weeks Paid Vacation

Five Weeks



From 1986 to 1996, employees needed less service to get 5 weeks vacation. In 1986, 37.9 per cent of all employees needed 17-20 years of service to obtain 5 weeks. In 1996, 28.9 per cent of all employees needed 17-20 years of service to obtain 5 weeks.

In 1986, 13.6 per cent of all employees needed 11-16 years of service to obtain 5 weeks, while in 1996, 26.9 per cent of all employees needed 11-16 years of service to obtain 5 weeks.

See Annex for examples of provisions dealing with paid vacation.

ANNEX

Banking of Regular Hours

There seems to be some evidence of an increase in the provision for the banking of regular or normal hours (as opposed to banking of overtime hours) as the following examples illustrate.

Rolls-Royce (Canada) Ltd. and International Association of Machinists and Aerospace Worker, Local 869 (650 production workers)

Employees have the option of starting or finishing the shift ½ hour earlier or later and banking the additional time, to be transferred to leave credits, up to a maximum of 8 hours.

Manitoba Public Insurance Corporation and Manitoba Government Employees' Association (900 office, clerical and technical employees)

The employee may bank hours during the winter months, sufficient to accumulate a maximum of 5 days, by working an extra one-half hour per day. As of January 1998, the maximum accumulation for banked hours is reduced to 4 days. As of January 1999, maximum accumulation for banked hours is reduced to 3 days.

Atomic Energy of Canada and United Steelworkers of America, Local 1568 (504 laboratory technicians)

The employee may work additional hours over and above the regular 7 ½ hours per day and accumulate up to a maximum of 45 hours (3 working days) to be taken as time off. The employee or supervisor may request to reschedule the standard day or standard hours by up to 2 hours, subject to operational requirements and mutual agreement.

Manitoba Hydro-Electric Board and International Brotherhood of Electrical Workers, Local 2034 (2,100 service and maintenance employees)

Shift employees work an 8-hour shift and are paid for 8 hours; ½ hour per shift is banked, on a straight-time basis, to be taken as scheduled time-off as mutually agreed.

Montreal Urban Community and Canadian Union of Public Employees (1,430 inside employees)

The employee has the option of a 4-day workweek by utilizing the combination of increased daily hours from 8 to 9 and the accumulation in the flexible hours bank of 14 (previously 6 ¾) hours.

Reduction of Hours

Provided below are two settlements which allow for reduction of hours during a specified period and a third which provides for a general reduction in hours of work.

Manitoba Health Organizations Inc. and Manitoba Nurses' Union, various locals (8,000 public sector nurses)

For the period November 15, 1996 to March 31, 1999, the employee will work 5 minutes less per day for the duration of the agreement.

Université de Montréal and Canadian Union of Public Employees, Local 1244 (1,700 maintenance employees)

The parties have agreed to summer hours which involve 3 hours less per week with no reduction in wages.

The parties have agreed on a formula for voluntarily reducing the work week by 3 hours with equivalent reduction in weekly pay. The duration of the Voluntary Reduction Plan must be no less than 6 months without exceeding 12 months after which an employee must reapply. It should be noted that an employee who is refused access to this arrangement may have recourse through the grievance procedure; that an employee may not avail him or herself of any other arrangement such as a deferred salary leave plan; and that participation in the plan is suspended during reduced summer hours and ends automatically upon maternity or adoption leave.

Hydro Québec and Canadian Union of Public Employees, Locals 1400, 2000 and 957 (5,657 general tradesmen, 4,782 office employees and 2,402 technicians)

Hours for tradesmen are reduced to 1,924 (previously 2,015) hours per year or an average of 37 (previously 38 $\frac{3}{4}$) hours per week. Hours for office employees and technicians are reduced to 1,742 (previously 1,820) hours per year or an average of 33 $\frac{1}{2}$ (previously 35) hours per week. Benefits are proportional to hours worked, except in the case of the pension plan.

Paid Vacation

Although not frequent, several negotiations have resulted in improvements to vacation entitlement. For example, there has been the introduction of additional weeks' regular entitlement as with **Finning Canada Ltd. — International Association of Machinists and Aerospace Workers**, 900 service and maintenance employees. The agreement provides for the following:

Paid Vacation — Effective April 15, 1998, 1 additional day's vacation entitlement for each additional year of service in excess of 25, to a maximum of one additional weeks' entitlement after 30 years of service)

Some negotiations have also resulted in improvements to supplemental vacation entitlements, as with **Alcan Smelters and Chemicals Ltd. and National Automobile, Aerospace, Transportation and General Workers Union of Canada**, Local 2301 (1,260 operating and maintenance employees). In this case, the agreement provides for:

Supplementary Vacation: 2 (previously 1) weeks after 10 years' continuous service, and 3 (previously 2) weeks after 15, 20, 25, 30 and 35 years' continuous service. Also, 1 week after 5 years' continuous service (unchanged), all to be taken in the payroll year in which the anniversary occurs (unchanged).

To obtain additional information on this subject or other products and services available from the Workplace Information Directorate, please contact our Information and Client Services at 1-800-567-6866 or (819) 997-3117.

SELECTION OF RECENT CHANGES IN CANADIAN LABOUR LAWS

Adopted Bills, Regulations and other Statutory Instruments

*Strategic Policy and Partnerships,
Labour Program,
Human Resources Development Canada*

Federal: *Postal Services Continuation Act, 1997*; Bill C-24 Assented to December 3, 1997

This Act provides a mechanism for the settlement of a labour dispute between the Canada Post Corporation and the Canadian Union of Postal Workers (CUPW).

The Act required the resumption of postal operations 12 hours after it received Royal Assent, and extended the term of the collective agreement, that had expired on July 31, 1997, until the coming into effect of a new agreement, except for the period beginning on November 18, 1997 and ending on the coming into force of the legislation.

Under the Act, the Minister of Labour must appoint a mediator-arbitrator and refer to him/her all matters that, at the time of the appointment, remained in dispute between the parties in relation to the conclusion of a new collective agreement. The mediator-arbitrator has 90 days to perform his/her duties. However, that time may be extended by the Minister or by mutual consent of the parties. The mediator-arbitrator must be guided by the need for terms and conditions of employment that are consistent with the *Canada Post Corporation Act* and the viability and financial stability of the Canada Post Corporation, taking into account that the corporation must, without recourse to undue increases in postal rates, operate efficiently, improve productivity, and meet acceptable standards of service. The importance of good labour-management relations between the Canada Post Corporation and the union must also be taken into account.

As of the date on which the mediator-arbitrator reports to the Minister, the collective agreement is considered to be amended by any agreement resolving matters in dispute between the parties and any decision of the mediator-arbitrator. It is also considered to be amended by increasing the rates of pay in effect as of February 1, 1997 by 1.5 per cent effective February 1, 1998, by another 1.75 per cent effective February 1, 1999 and by another 1.9 per cent effective

February 1, 2000. The collective agreement so amended constitutes a new collective agreement coming into effect on the date on which the mediator-arbitrator reports to the Minister and ending on July 31, 2000.

All costs paid by the Government of Canada relating to the appointment of the mediator-arbitrator and the exercise of that person's duties under the Act may be recovered from the parties on an equal basis in any court of competent jurisdiction.

Nothing prevents the parties from agreeing to amend any provision of the collective agreement, or of the new collective agreement constituted under the Act, other than a provision relating to its term or the rates of pay mentioned above.

Fines are provided for a contravention of the Act by an individual (maximum: \$1000), by an officer or representative of one of the parties (maximum: \$50,000) or by the employer or union (maximum: \$100,000). These fines are applicable to each day or part of a day during which the offence continues. Imprisonment may not be imposed in default of payment of a fine.

When a person is convicted of an offence and the fine that is imposed is not paid when required, the prosecutor may, by filing the conviction, enter as a judgment the amount of the fine and costs, if any, in a superior court of the province in which the trial was held, and the judgment is enforceable against the person in the same manner as if it were a civil judgment.

Alberta: *Employment Standards Amendment Regulation under the Employment Standards Code*; Alberta Regulation 249/97 Gazetted December 31, 1997

This amendment to the *Employment Standards Regulation* has deferred the expiration of the Regulation as a whole, which was to occur on December 31, 1997.

The new expiration date is June 30, 1999. The purpose of the date of expiration is to ensure that the Regulation is reviewed for its relevancy, with the option that it may be re-passed with or without amendments.

British Columbia: *Occupational Health and Safety Regulation under the Workers Compensation Act and the Workplace Act*; British Columbia Regulation 296/97 Gazetted September 9, 1997

The following regulations have been revised and consolidated into a new comprehensive *Occupational Health and Safety Regulation*:

- the *Industrial Health and Safety Regulations* (a number of sections will remain in effect for the farming industry)
- the *Occupational Environment Regulations* (a number of provisions are being retained pending an upcoming review)
- the *Occupational First Aid Regulations*
- the *Workplace Hazardous Materials Information System Regulation*, and
- the *Fishing Operations Regulations*.

The new Regulation will take effect on April 15, 1998, except as otherwise specified. It contains 33 parts included in the following groupings:

Core Requirements

These parts generally apply to all workplaces, and cover many topics such as definitions, application of the Regulation, occupational health and safety programs, occupational health and safety committees, refusal of unsafe work, and general conditions, including, for example, the safety of buildings, structures and equipment, indoor air quality, environmental tobacco smoke, ergonomics requirements, and other requirements to maintain a safe workplace.

General Hazard Requirements

These parts apply to general hazards found in a number of industries, usually higher hazard operations, and cover topics such as confined space entry procedures, chemical and biological substances, substance specific requirements (e.g. asbestos, lead, pesticides and rock dust), noise, ionizing and non-ionizing radiation, personal protective clothing and equipment, energy sources that could cause injury, fall protection, guarding of machinery, ladders, scaffolds and temporary work platforms, cranes and hoists, the

use of mobile equipment, transportation of workers, traffic control for work on roadways, and electrical safety.

Industry/Activity Specific Requirements

These parts apply to specific industries and activities such as construction, excavation and demolition, blasting operations, underground workings, oil and gas, diving, fishing and other marine operations, forestry operations, wood products manufacturing, aircraft operations, laboratories, firefighting, as well as evacuation and rescue. This grouping also includes revised occupational first aid requirements.

British Columbia: Amendment to the *Employment Standards Regulation under the Employment Standards Act*; British Columbia Regulation 342/97 Gazetted October 21, 1997

Effective October 16, 1997, a new provision added to the *Employment Standards Regulation* provides that there is a penalty of \$5 000 for a breach of the conditions of employment of a child under 15 years of age set by the Director of Employment Standards, when the contravention relates to employment in the motion picture industry, the television industry, or the television or radio advertising industry.

British Columbia: Amendment to the *Employment Standards Regulation under the Employment Standards Act*; British Columbia Regulation 356/97 Gazetted November 4, 1997

An amendment to the *Employment Standards Regulation*, that took effect on October 22, 1997, stipulates that provisions of the *Employment Standards Act* on hours-of-work notices, split shifts, minimum daily hours and hours free from work do not apply to a person employed as a newspaper carrier for 15 hours a week or less. Previously, students registered at a primary or secondary school and employed as newspaper carriers for 15 hours a week or less were excluded from the application of the Act.

British Columbia: Amendment to the *Employment Standards Regulation under the Employment Standards Act*; British Columbia Regulation 385/97 Gazetted December 2, 1997

By virtue of this amendment, the general minimum wage is increased from \$7.00 to \$7.15 per hour, effective April 1, 1998. In addition, other minimum wage rates are raised as follows: for live-in home

support workers (from \$70.00 to \$71.50 per day or part of a day, the maximum room and board deduction remains at \$325.00 per month); for live-in camp leaders (from \$56.00 to \$57.20 per day or part of a day), for resident caretakers (for an apartment building containing 9 to 60 suites: \$429 per month plus \$17.20 for each suite, or \$1,458.60 per month for 61 suites or more), and a similar increase of approximately 2 per cent for farm workers employed on a piece-work basis to hand harvest certain fruit, vegetable, berry and flower crops.

Newfoundland: *An Act to Amend the Labour Relations Act No. 2; Bill 52 Assented to December 19, 1997*

Effective December 19, 1997, this Act has modified the *Labour Relations Act* by adding a number of provisions applying to labour relations with respect to offshore petroleum production platforms. These provisions are as follows:

- they provide that the bargaining unit appropriate for collective bargaining must comprise all employees employed on a platform, except construction and start up employees who are covered by the existing provisions of the Act respecting the composition of a bargaining unit;
- they establish the criteria to be applied by the Labour Relations Board in assessing an application from a council of trade unions seeking certification as the bargaining agent of workers employed on an offshore petroleum production platform, other than those performing construction or start up work;
- they provide that where a trade union or a council of trade unions is certified to represent workers employed on an offshore petroleum production platform, the licensed operator of the platform must immediately form an organization of all the employers of those employees for collective bargaining purposes;
- they provide that where a trade union or a council of trade unions representing workers employed on an offshore petroleum production platform and an employers' organization have bargained collectively and have been unable to conclude a first collective agreement, either party may require the arbitration of matters in dispute (a first collective agreement settled through arbitration is effective for a period of three years or such longer period the parties may agree to); and

- they provide that the parties to a collective agreement covering workers employed on an offshore petroleum production platform (other than those performing construction or start up work) must conclude an ancillary agreement setting out workforce requirements and procedures necessary to ensure the orderly and safe shutdown and maintenance of the platform in the event of a strike or lockout of those employees. When the parties have not reached such an agreement 90 days before the expiry of a collective agreement between them, at the request of either party, the Board may settle the terms and conditions of the agreement.

Nova Scotia: *Highway Workers Collective Bargaining Act; Bill 5 Assented to December 12, 1997*

The *Highway Workers Collective Bargaining Act*, which took effect on December 12, 1997, sets a legislative framework for collective bargaining between the government of Nova Scotia, through the agency of the Department of Transportation and Public Works, and its employees paid on an hourly basis and engaged in the construction and maintenance of highways, who are below the rank of operating supervisor or the equivalent.

The Nova Scotia Highway Workers Union, CUPE Local 1867, is given exclusive bargaining rights with respect to the employees. However, the Act contains a procedure permitting the Labour Relations Board of Nova Scotia to conduct a representation vote in specified circumstances upon application by an employee, and to replace that union with another one when the latter receives more than 50 per cent of the votes.

A Highway Workers Employee Relations Board (the Board) is created following consultation with the union. It has various powers such as making determinations under the Act, issuing orders, appointing conciliation officers, and establishing interest arbitration boards when required.

After notice to commence collective bargaining has been given, the Board may appoint a conciliation officer when bargaining has not commenced within the prescribed time or has commenced and either party requests conciliation, or when it considers advisable to do so. Where the parties have bargained collectively and have failed to conclude a collective agreement, the employer, the union or both must refer to binding arbitration the terms and conditions of employment that are in dispute and are arbitral matters, as specified

in a schedule contained in the Act. If the Board believes that they have failed to make reasonable efforts to conclude a collective agreement, it may order the employer and union to continue collective bargaining. Strikes or lockouts are not permitted.

Despite the fact that an arbitration board has rendered an arbitral award, that award is of no force and effect if the employer and the union enter into a collective agreement concerning the subject-matter of the arbitral award within seven days from the time it was rendered.

No collective agreement or arbitral award may contain any provision that would require directly or indirectly for its implementation the enactment or amendment of legislation.

Every collective agreement must contain a provision for final settlement without stoppage of work, by adjudication or otherwise, of all differences between the parties to or persons bound by the collective agreement concerning its meaning or violation.

The Act specifies prohibited unfair labour practices by the employer, the union or their representatives.

Ontario: *Education Quality Improvement Act, 1997*; Bill 160 Assented to December 8, 1997

This Act brings amendments to the *Education Act*. The amendments include a new Part X.1 (Teachers' Collective Bargaining), which contains provisions making the *Labour Relations Act, 1995*, as modified by the rules set out in that Part, applicable to elementary and secondary school teachers' collective bargaining. The *School Boards and Teachers Collective Negotiations Act* is repealed. The bargaining units and bargaining agents for teachers are fixed by the new legislation. Beginning on January 1, 1998, the right of "Part X.1 teachers" to strike and the right of a school board or school authority to lock them out is governed by the *Labour Relations Act, 1995*.

The terms "Part X.1 teacher" under the Act do not include a supervisory officer, a principal, a vice-principal or an instructor in a teacher-training institution. Also, a supervisory officer, a principal or a vice-principal are not covered by the *Labour Relations Act, 1995*. When during a dispute both parties agree to refer unsettled matters to arbitration or the dispute is referred to arbitration under the first agreement provisions of the *Labour Relations Act, 1995*, an arbitrator or board of arbitration is required to take into consideration the interest arbitration criteria set out in the *School Boards and Teachers Collective*

Negotiations Act immediately before its repeal, including the employer's ability to pay in light of its fiscal situation.

Despite the repeal of the *School Boards and Teachers Collective Negotiations Act*, the Education Relations Commission is continued and its functions include the following:

- to advise the Lieutenant Governor in Council when, in its opinion, the continuation of a strike, lockout, or closing of one or more schools will place in jeopardy the successful completion of courses of study by the affected pupils; and
- to compile statistical information on the supply, distribution, professional activities and salaries of teachers (this function may be removed on a date set by proclamation of the Lieutenant Governor).

On a date set by proclamation, it will be possible to replace the provisions just described with new provisions giving the Lieutenant Governor in Council the power to appoint a person or organization to advise him/her when the continuation of a strike, lockout or closing of one or more schools will place in jeopardy the successful completion of courses of study by the affected pupils.

A number of sections govern the transition from the old system of education governance to the new system. Other sections govern bargaining for the first collective agreement after the transition.

In addition, provisions amending the *Education Act*, which will come into force on August 31, 1998, set the maximum average size of elementary and secondary school classes, which may only be exceeded if permission is granted by the Minister of Education and Training. The Lieutenant Governor in Council has the power to make regulations establishing the method to be used by a school board or authority to determine the average size of its classes, excluding special education classes from this determination, requiring school boards or authorities to prepare reports containing specified information concerning the average size of classes and making these available to the public. Every three years, the Minister will review the amount of the maximum average class sizes specified in the Act.

Other amendments to the *Education Act* coming into effect on August 31, 1998 set a minimum average time during which classroom teachers provide instruction to pupils in elementary and secondary schools.

Except as otherwise mentioned, the provisions described above came into force on January 1, 1998.

Ontario: *Fairness for Parents and Employees Act (Teachers' Withdrawal of Services)*, 1997; Bill 161 Assented to December 8, 1997

In addition to providing for a scheme under which parents and guardians of "eligible children" may apply for payments relating to the teachers' province-wide withdrawal of services from October 27 to November 7, 1997, this Act contains certain provisions applying to workplaces. These stipulate that an employer is prohibited from dismissing or disciplining an employee who was unable to perform some or all of his/her duties and notified it in advance of that situation, or who asked permission to be absent from work or to restrict his/her duties, in order to care for his/her "eligible child" as a result of the teachers' province-wide withdrawal of services. However, an employer is not required to pay salary to an employee in respect of time during which he/she was absent from work. The expression "eligible children" includes those who were enrolled in a school and were 13 years of age or less or were receiving special education in circumstances specified in the Act, and those who were registered in a child care facility located on the premises of a school. The prohibition mentioned above does not apply with respect to teachers who participated in the withdrawal of services.

Teachers' unions are prohibited from suspending, expelling or penalizing teachers or acting in a manner that is arbitrary, discriminatory or in bad faith when they represent teachers who did not support or participate in the province-wide withdrawal of services.

This Act took effect on December 8, 1997.

Quebec: *An Act to again amend the Act respecting labour standards*; Bill 172 Assented to December 9, 1997

Among other things, these amendments to the Act respecting labour standards deal with night work for children. New provisions stipulate that when an employer has work done by an employee under the

age of 16, that work may not be carried out between the hours of 11 p.m. and 6 a.m. on the following day, except in the case of newspaper deliveries and in any other case determined by government regulation, and the work must be scheduled so that, having regard to the location of the employee's family residence, he/she may be at that residence during that period, subject to exceptions determined by government regulation. These provisions will come into force on a date to be set by the government.

In addition, effective February 1, 1998, the Act provides that accommodation and meals provided to a domestic who is housed or takes meals in the employer's residence must be provided free of charge.

PROPOSED LEGISLATION

Prince Edward Island: Proposed legislation relating to research and safety programs

On November 26, 1997, the Minister of Community Affairs and Attorney General tabled Bill 78, *An Act to Amend the Workers Compensation Act*.

Among other things, Bill 78 permits the Workers Compensation Board, which is responsible for the administration of the *Occupational Health and Safety Act*, to establish research and safety programs, and to make expenditures from the Accident Fund for that purpose. The Board may charge such expenditures made against any industry, part of an industry or employer to which a research or safety program relates.

Source - Bill 78

Yukon: Announce of an increase in the minimum wage

On December 23, 1997, the Yukon Justice Minister announced that the general minimum wage of \$6.86 per hour will be raised to \$7.06 per hour effective April 1, 1998 and to \$7.20 per hour effective October 1, 1998.

Source - News Release of the Yukon Department of Justice

YESTERDAY AND TOMORROW

What's in a name? A distinguished past and a promising future.

Geoffrey Brennan

Labour Standards Policy and Legislation

Labour Standards and Workplace Equity Division

Labour Program, Human Resources Development Canada

In a sense, the Workplace Gazette marks a return to our roots. Its predecessor, the Labour Gazette, was instituted at the same time as the Department of Labour, in 1900, by the Conciliation Act. In fact, the Act had as its primary object the creation of the Labour Gazette, and referred only incidentally to the establishment of the Department of Labour.

Volume 1, number 1 of the Labour Gazette, which appeared in September 1900, loudly proclaimed itself to be the new Department of Labour. William Lyon MacKenzie King was the first editor of the Labour Gazette and the first deputy minister of labour before he became minister of labour and then Prime Minister. The purpose of the original Gazette was to collect and disseminate factual information and statistics on labour conditions and related topics. Objective and

impartial, the journal announced that it would not be a platform for "individual views," but would publish reliable data illustrating broad trends in labour conditions and the welfare of workers. This information, it was hoped, would be used "for the formation of sound opinions, and for the drawing of correct deductions".

This editorial policy, which reflects a non-partisan philosophy and a desire to serve Canadians, continues to inspire our organization. The gathering and dissemination of reliable information remains a key activity of the Workplace Information Directorate. It is this longstanding tradition, which the new Gazette seeks to promote and perpetuate. Like the old Gazette, the new one will publish reliable, factual information and will examine a host of topics related to the world of work.

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The Workplace Information Directorate is your source for up-to-date, customized information on industrial relations and collective bargaining.

By meeting your specific research needs, we can assist you in preparing for and supporting the resolution of issues at the bargaining table. We can also help you keep abreast of developments in the industrial relations field through our information service and publications.

Our resources are used by negotiators, researchers, economists, consultants, journalists, teachers and many others. In Canada and abroad, members of the industrial relations community in the private and public sectors regularly call on the Workplace Information Directorate.

Workplace Gazette

A quarterly publication providing data on wage adjustments from major collective bargaining settlements by industry, sector and region; detailed analysis of select provisions in major agreements; comprehensive and in-depth information on innovative workplace practices in Canada resulting from collective bargaining; a quarterly calendar of major collective agreement expiries and reopeners; and, a chronological perspective on work stoppages in Canada. It also features articles or case studies on pertinent industrial relations matters. Annual subscription: Canada, \$125 plus 7% GST (\$133.75); other countries, U.S. \$125.

The Wage Settlements Bulletin

Monthly (12 issues). Provides the most up-to-date information and analysis of major wage developments in collective bargaining in Canada. The Bulletin is a valuable and recognized reference source providing statistical and analytical information illustrated with useful charts and tables on recent wage developments in Canada. The aggregate data and details are published in the following groupings: public and private sectors, regions and jurisdictions, and major industry groups. Annual subscription: Canada, \$200 plus 7% GST (\$214); other countries, U.S. \$200. (Available by fax or by mail).

Collective Bargaining Bulletin

A monthly publication containing timely information based on recently signed major collective agreements in Canada. The publication focuses on summaries of changes to wages and benefits in selected settlements, the status of key negotiations as well as data on work stoppages in Canada. In addition, a listing of formal and up-to-date reports of major settlements is provided and copies are available by calling the Workplace Information Directorate at 1-800-567-6866 or (819)997-3117. Annual subscription: Canada, \$50 plus 7% GST (\$53.50); other countries, U.S. \$50.

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Annual. Includes information on all types of labour organizations in Canada: national and international unions, independent local unions, central labour congresses and certain other union groups. Included for each union are the names of officials, addresses and telephone numbers, membership figures, the titles of publications and the date of conventions. Aggregate statistics on union membership are also included. Bilingual. Canada, \$26.95 plus 7% GST (\$28.84); other countries, U.S. \$26.95.

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Annual. The only authoritative and up-to-date source of comprehensive and detailed information on Canadian innovative workplace practices in major collective agreements. Provides an in-depth analysis of innovative practices together with a breakdown by specific category. Bilingual electronic. Internet: Single Workstation \$29.95, Multiple Workstation \$99.95, Diskette: Single Workstation \$39.95, Multiple Workstation \$119.95.

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Workplace GAZETTE

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Quarterly



Summer 1998

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- Valuing Diversity: Bank of Montreal's Aboriginal Employment Initiative
- Thematic Report: Workshop on Private Pension Plans



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1-800-567-6866 or (819) 997-3117

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FOREWORD

The Workplace Gazette presents a wide range of collective bargaining information to meet the ever-changing needs of the industrial relations community. Its purpose is to provide a sound base for research in support of the bargaining process.

It includes information and analysis on wage adjustments, collective agreement provisions, innovative workplace practices, work stoppages, upcoming important negotiations, and other related topics.

SECTION 1 includes quarterly/annual data on wage adjustments in major collective agreements, both current and

historical, by public/private sectors, region, jurisdiction, and major industry.

SECTION 2 provides a detailed analysis of selected provisions, those of current interest, found in major collective agreements. Also included is a listing of collective agreement expiries/reopeners, and information on major work stoppages in Canada.

SECTION 3 summarizes innovative practices in the workplace resulting from collective bargaining. It also presents articles, case studies, and other recent trends in industrial relations.

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Alliance of Canada.*

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Information Products and Client Services

SECTION 1

MAJOR WAGE SETTLEMENTS* - FIRST QUARTER 1998

Summary

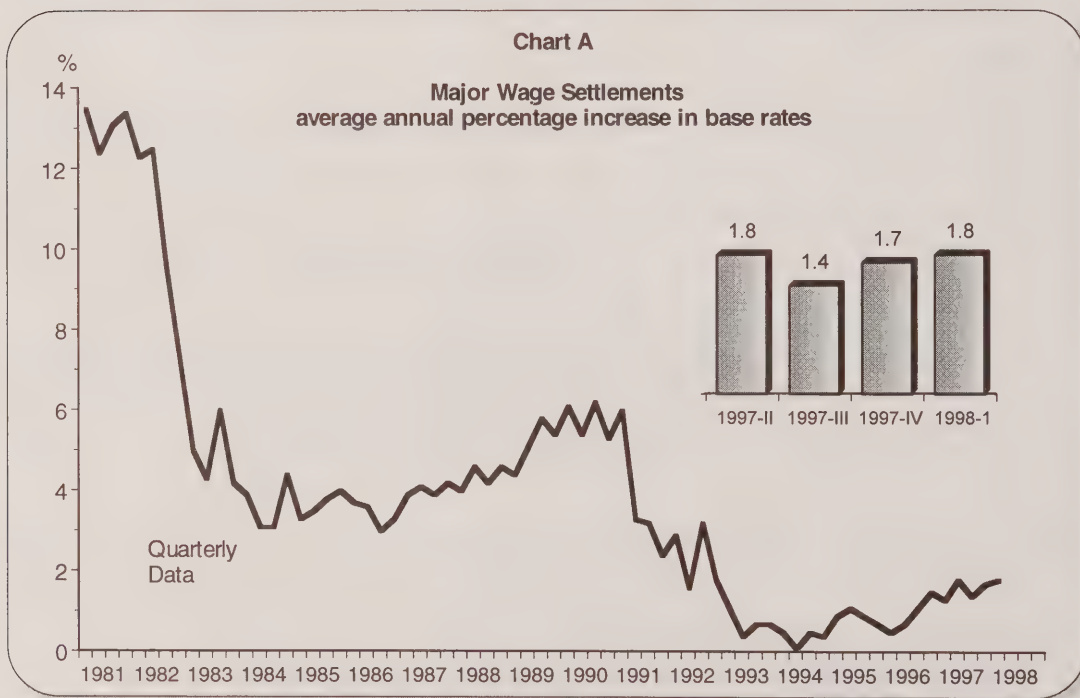
Base rate wage adjustments from major collective bargaining settlements reached in the first quarter of 1998 averaged 1.8 per cent annually over the contract term, up slightly from 1.7 per cent in the previous quarter and the 1.6 per cent average for 1997 as a whole (see Chart A).

Wage adjustments in the first contract-year averaged 1.2 per cent in the first quarter of 1998, marginally lower than the average first-year wage adjustment of 1.3 per cent in the year 1997.

The first quarter results are based on a review of 62 agreements covering 113,960 employees, the lowest

quarterly employee coverage since the wage series began in 1978. When the parties to these first-quarter contracts previously negotiated, the resulting wage adjustments averaged 0.5 per cent, compared to the 1.8 per cent in their current settlements. Contract duration was up to an average of 35.7 months, compared to 25.2 months in their previous contracts.

There has been some up-trend in private-sector settlement adjustments since 1993, and since that year to late in 1997, private sector wage adjustments have been above those in the public sector. In the first quarter of 1998, public- and private-sector adjustments were the same at 1.8 per cent.



Source: Workplace Information Directorate

* Major settlements are those involving bargaining units of 500 or more employees. All wage rate adjustments over the term of these agreements, including those arising from cost-of-living clauses (COLA), are taken into account. The yield of such COLA clauses is estimated on an assumed 2.0 per cent annual increase in the Consumer Price Index.

On a regional/jurisdictional basis, average wage adjustments were as follows: Atlantic Canada, 2.2 per cent; Quebec, 1.0 per cent; Ontario, 1.5 per cent; the Prairie provinces, 1.8 per cent; British Columbia, 0.6 per cent; and in the Federal jurisdiction, 1.7 per cent.

Average wage adjustments on an industry basis were: Manufacturing, 2.1 per cent; Transportation, Communication and Other Utilities, 1.3 per cent; Finance, 1.7 per cent; Services, 2.0 per cent; and Public Administration, 1.4 per cent. There were no settlements in the primary industries and construction sectors.

Distribution by Size of Wage Adjustments

Under five per cent (5,190 employees or 4.6 per cent) of all employees in first-quarter settlements in 1998 were subject to wage freezes or rollbacks, compared to 15.4 per cent of employees in 1997 as a whole. Employees gaining adjustments of under 1.0 per cent (12,280) constituted 10.8 per cent of all employees, compared to 11.9 per cent in that range in 1997. The largest concentration - 48.6 per cent - of employees (55,330) were in the 1.0 to 1.9 per cent range, compared to 37.2 per cent in 1997 as a whole. Employees with adjustments in the 2.0 to 2.9 per cent range (27,360) constituted 24.0 per cent of all employees in that quarter, compared to 15.6 per cent in 1997. The remaining 12.1 per cent (13,800) of employees gained adjustments of 3.0 per cent or more, compared to 33.0 per cent in 1997 as a whole (see Table A).

Public and Private Sectors

Public-sector wage adjustments averaged 1.8 per cent in the first quarter of 1998, up from 1.6 per cent in the previous quarter, and 1.2 per cent for 1997 as a whole (see Chart B). Since troughing at - 1.0 per cent in mid-1994, public-sector wage adjustments have risen modestly though unevenly, but have remained below those in the private sector until the current quarter. The first-quarter 1998 public-sector results are based on a coverage of 96,790 employees in 44 settlements, while the private-sector average (1.8 per cent also) resulted from 18 agreements covering only 17,170 employees.

The largest concentrations of public-sector employees were in Atlantic Canada and the Prairie provinces. In Atlantic Canada, with 39,710 employees (41.0 per cent of all public-sector employees) in 10 settlements, wage adjustments averaged 2.2 per cent. In the Prairie provinces, with 18 settlements covering 33,650 employees (34.8 per cent of all public-sector employees in the first quarter), wage adjustments averaged 1.7 per cent.

Wage rates were frozen for 3,170 public-sector employees - 3.3 per cent of all public-sector employees; in the private sector wage rates were frozen or cut for 2,020 employees - 11.8 per cent of all private-sector employees in the first-quarter settlements. Wage adjustments of under 1.0 per cent went to 9,630 public-sector employees - 9.9 per cent of all public-sector employees in the first-quarter settlements, compared to 2,650 private-sector

Table A
Distribution of Agreements and Employees
by size of wage adjustment, 1st Quarter 1998

Adjustment Range	Agreements		Employees	
	Number	Percentage	Number	Percentage
0% and less	6	9.7	5,190	4.6
>0% - 0.9%	12	19.4	12,280	10.8
1.0% - 1.9%	20	32.3	55,330	48.6
2.0% - 2.9%	19	30.6	27,360	24.0
3.0% - 4.9%	5	8.0	13,800	12.1
Total	62	100.0	113,960	100.0

Source: Workplace Information Directorate

employees - 15.4 per cent of all private-sector employees. The largest concentration of public-sector employees - 51,600 employees or 53.3 per cent of all public-sector employees - received wage gains of 1.0 to 1.9 per cent, compared to 3,730 or 21.7 per cent of private-sector employees. For 21,860 public-sector employees - 22.6 per cent of the total - wage gains were in the 2.0 to 2.9 per cent range, compared to 5,500 or 32.0 per cent of private-sector employees. Wage adjustments of 3.0 per cent and more went to 10,530 public-sector employees - 10.9 per cent of the total, compared to 3,270 or 19.0 per cent of private-sector employees.

Regions/Jurisdictions

The largest concentration of employees and the largest average wage gains were in Atlantic Canada, where 42,810 employees (37.6 per cent of all employees in first-quarter settlements) gained wage adjustments averaging 2.2 per cent, up from an average of 1.3 per cent for 1997 as a whole. In Nova Scotia, 22,870 employees (all but 600 in the public sector), received wage adjustments averaging 2.8 per cent.

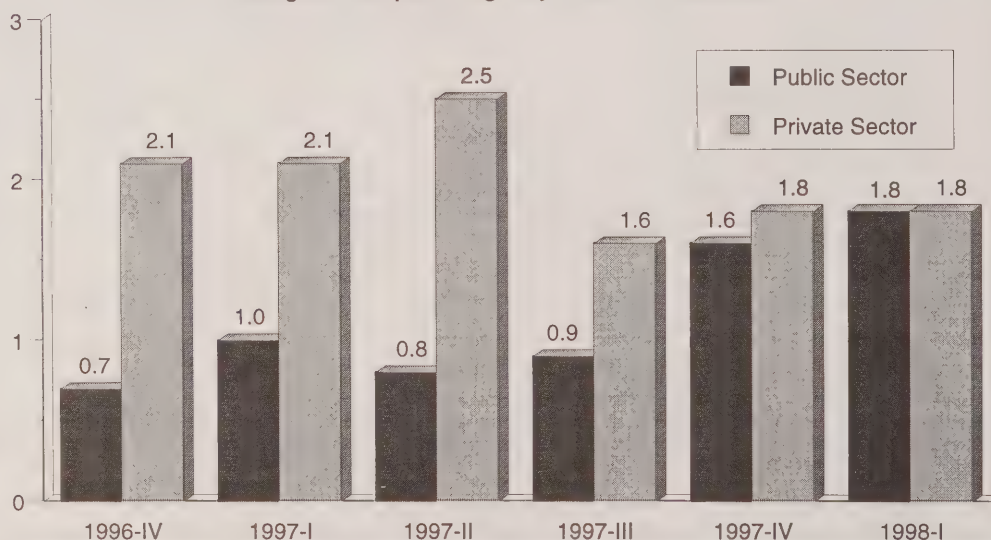
In Newfoundland, 13,840 employees received average adjustments of 1.5 per cent, while in New Brunswick 6,100 employees (all in the public sector), gained wage adjustments of 1.4 per cent.

The second largest concentration of employees as well as the second largest average wage adjustment were in the Prairie provinces; 35,270 employees (30.9 per cent of employees in first-quarter settlements), received wage adjustments averaging 1.8 per cent. In Manitoba, 4,620 employees received wage adjustments averaging 2.5 per cent; in Alberta, 17,720 public-sector employees gained wage adjustments averaging 1.8 per cent, while in Saskatchewan, 12,930 (public-sector) employees received adjustments averaging 1.6 per cent.

In Quebec, 13,540 employees (11.9 per cent of the total), received wage adjustments averaging 1.0 per cent; in Ontario, 10,720 (9.4 per cent of all employees) received adjustments averaging 1.5 per cent, and in the Federal jurisdiction, 9,290 employees (8.2 per cent of the total) received wage adjustments averaging 1.7 per cent. In British Columbia, there were only 2,330 employees (2.0 per cent of all employees) in first-

Chart B

Major Wage Settlements - Public and Private Sectors
average annual percentage adjustment in base rates



Source: Workplace Information Directorate

quarter settlements; wage adjustments for those employees averaged 0.6 per cent (see Chart C).

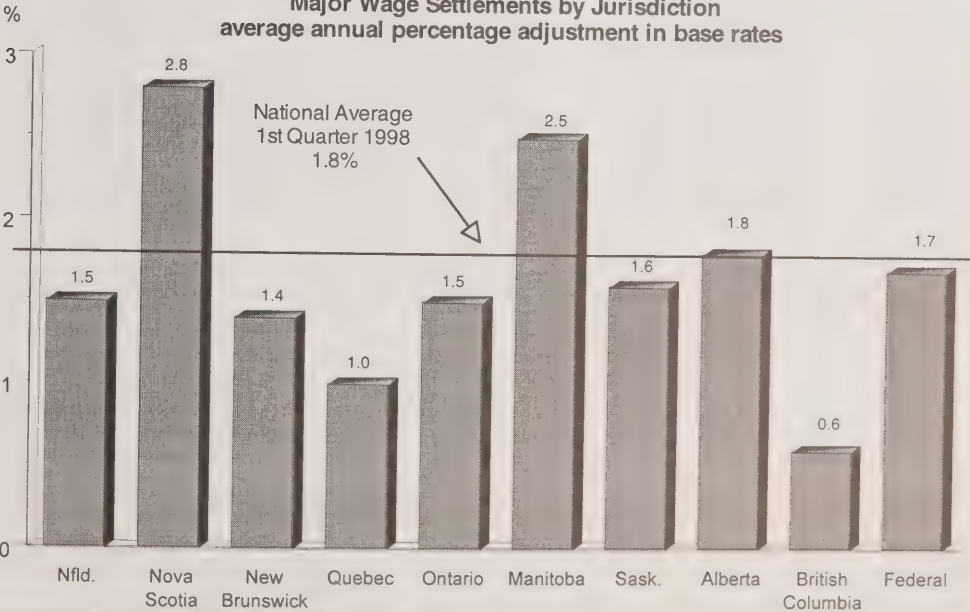
Major Industry Groups

The largest concentration of employees in the first quarter of 1998 was in the Community, Business and Personal Services sector, with 59,900 employees (52.6 per cent of the total), receiving wage adjustments averaging 2.0 per cent (see Chart D). A preponderance of these employees (33,720) were in Atlantic Canada with wage adjustments averaging 2.4 per cent. They comprised 12,270 health-sector employees in Nova Scotia at an average of 2.8 per cent, 10,000 Nova Scotia teachers at 3.4 per cent, 6,250 health-sector employees in Newfoundland at 1.4 per cent, and 5,200 nurses in New Brunswick at 1.5 per cent. For 20,180 employees in the services sector in the Prairie provinces, wage adjustments averaged 1.7 per cent. They included 12,930 Saskatchewan services-sector workers (including 12,000 primary and secondary school teachers), at an average wage increase of 1.6 per cent, and 6,720 employees at 2.1 per cent in Alberta.

In the Public Administration sector, 32,470 employees (28.5 per cent of the total), received wage adjustments averaging 1.4 per cent. They included a wage freeze for 1,250 employees in Toronto, and ranged to a high of 2.9 per cent for 760 Durham municipal employees in Whitby, Ontario. In Quebec, 10,950 employees, mostly in the municipal sector, gained adjustments averaging 1.1 per cent. In Alberta, 9,400 employees in provincial and municipal administration received wage adjustments averaging 1.7 per cent, while in Newfoundland, 5,090 provincial government employees gained average wage adjustments of 1.4 per cent.

For 10,840 employees in the manufacturing sector, wage adjustments averaged 2.1 per cent in the first quarter of 1998. At Maple Leaf Pork in Burlington, Ontario, wage rates were cut by 40.0 per cent in the first 12 months of a 76-month agreement, while at the upper end of the range 1,620 employees of Motor Coach Industries Ltd. in Winnipeg gained an average annual increase of 4.9 per cent. For 2,500 Fishery Products International employees in Newfoundland, wage gains averaged 1.8 per cent. In other Ontario

Chart C
Major Wage Settlements by Jurisdiction
average annual percentage adjustment in base rates

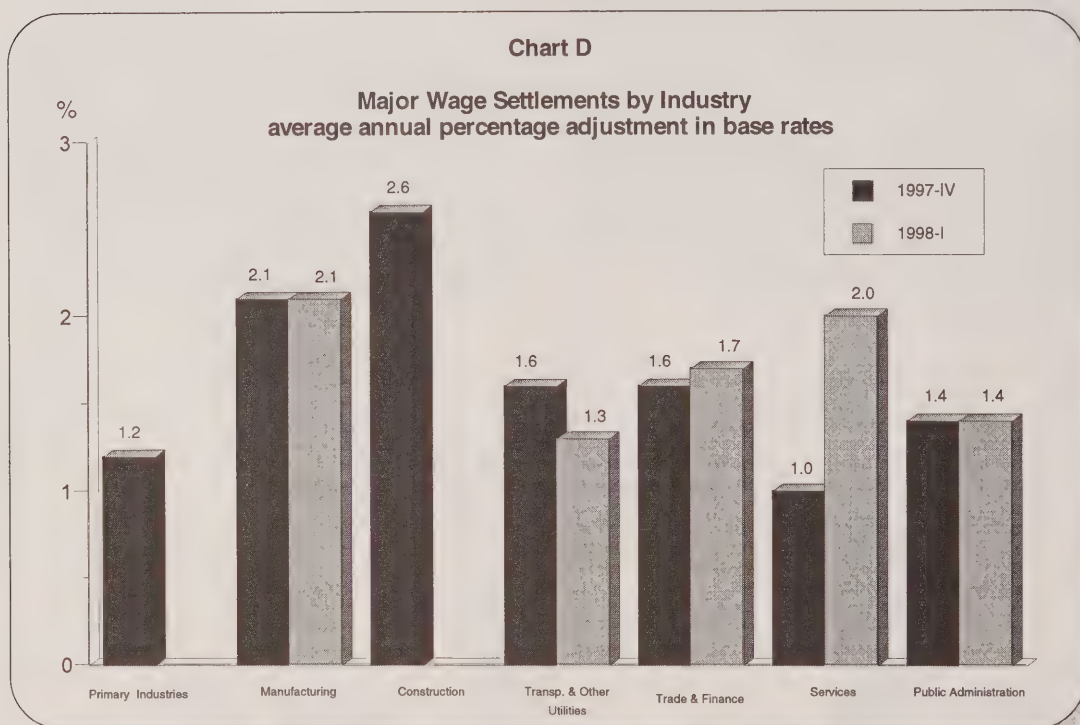


Source: Workplace Information Directorate

settlements, 1,500 employees at Ford Electronics in Markham gained adjustments averaging 2.5 per cent; 1,100 DuPont employees in Kingston gained an average of 2.7 per cent; 1,000 General Electric employees gained an average of 2.8 per cent; and 1,100 office employees at the Toronto Star gained an average increase of 3.1 per cent.

In the Transportation, Communications and Other Utilities sector, 9,110 employees gained adjustments

averaging 1.3 per cent annually. They ranged from a wage freeze for 1,150 employees of Videotron Ltd. in Montreal, to a high of 2.5 per cent for 500 employees of Gaz Métropolitain, also in Montreal. For 2,190 technical employees with the Government of Canada, wage gains averaged 2.3 per cent, and for 1,600 City of Calgary bus drivers and maintenance employees, wage adjustments averaged 1.1 per cent. For 680 office and 820 plant employees of Maritime Telephone and Telegraph, wage adjustments in each of two agreements averaged 0.9 per cent.



Source: Workplace Information Directorate

MAJOR SETTLEMENTS REACHED IN THE FIRST QUARTER OF 1998

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Manufacturing (9 agreements)	10,840	2.1	-0.7	37.1	
DuPont Canada Inc., plant and maintenance empls., Kingston (Ont.)	1,100	2.7	2.8	24	2000-01-27
Fishery Products International Limited, plant and maintenance empls., Bonavista & other centres (Nfld.)	2,500	1.8	2.0	24	1999-12-31
Ford Electronics Manufacturing Corporation, production empls., Markham (Ont.)	1,500	2.5	1.5	36	2001-01-09
General Electric Canada Inc., plant and maintenance empls., Pickering & other centres (Ont.)	1,000	2.8*	3.4	36	2001-02-15
Halifax Shipyard Limited, production empls., Halifax (N.S.)	600	1.4	0.0	48	2000-12-31
Maple Leaf Pork, Division of Maple Leaf Foods Inc., plant and maintenance empls., Burlington (Ont.)	870	-6.9	-40.0	76	2004-03-06
Motor Coach Industries Limited, production empls., Winnipeg (Man.)	1,620	4.9	5.1	36	2000-09-30
Siebe Fluid Systems Form Rite (Canada) Limited, plant and maintenance empls., London (Ont.)	550	4.4*	4.4	36	2001-02-12
Toronto Star Newspapers Limited, print media empls., Toronto (Ont.)	1,100	3.1*	2.5	48	2001-12-31
Transportation, Communications and Other Utilities (9 agreements)	9,110	1.3	1.0	32.2	
City of Calgary, bus drivers & maintenance empls., Calgary (Alta.)	1,600	1.1	0.0	63	1999-12-31
Entourage Solutions Technologiques Inc., technical empls., province-wide (QC)	640	0.6	0.0	32	2000-09-30
Gaz Métropolitain, hourly-rated empls., Montreal (QC)	500	2.5*	1.6	36	2000-09-30
Government of Canada, technical empls., Canada-Wide	2,190	2.3	2.5	24	1999-08-31
Maritime Telegraph & Telephone Company Limited, office and clerical empls., province-wide (N.S.)	680	0.9	1.0	13	1998-10-31
Maritime Telegraph & Telephone Company Limited, plant and maintenance empls., province-wide (N.S.)	820	0.9	1.0	13	1998-10-31
MTS NetCom Inc., managers, province-wide (Man.)	630	1.7	1.5	40	2001-02-16
New Brunswick Power Corporation, operational empls., province-wide (N.B.)	900	0.7	0	48	1999-12-31
Vidéotron limitée, administrative services empls., Montreal (QC)	1,150	0.0	0.0	12	1998-12-31
Trade and Finance (2 agreements)	1,640	1.7	1.7	20.3	
Canadian Imperial Bank of Commerce (Visa Centre), office and clerical empls., Toronto (Ont.)	570	2.9	2.9	36	2001-02-28
Manitoba Public Insurance Corporation, office and clerical empls., province-wide (Man.)	1,070	1.0	1.0	12	1998-09-25
Community, Business and Personal Services (25 agreements)	59,900	2.0	1.8	36.5	
Board of School Trustees of School District No.61, office and clerical empls., Victoria (B.C.)	680	0.8	0.0	36	1999-12-31
Board of School Trustees School District No. 68, office and clerical empls., Nanaimo (B.C.)	540	0.6	0.0	24	1998-06-30
Caritas Health Group (Edmonton General and Grey Nuns Hospitals), non-medical empls., Edmonton (Alta.)	690	2.2	0.0	48	2000-03-31
Concordia University, professors, Montreal (QC)	700	0.9	1.0	68	2002-04-15
Government of Alberta, health service-non-professionals, province-wide (Alta.)	1,340	2.3	2.4	24	1999-08-31
Government of New Brunswick, nurses, province-wide (N.B.)	5,200	1.5	1.5	36	2000-06-30
Government of Newfoundland, laboratory technicians, province-wide (Nfld.)	750	1.4	0.0	60	2001-03-31
Government of Newfoundland, support empls., province-wide (Nfld.)	5,500	1.4	0.0	60	2001-03-31

* Agreements with cost-of-living allowances (COLA) calculated at a projected 2.0 per cent inflation rate.

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Community, Business and Personal Services (continued)					
Government of Nova Scotia, elementary & secondary teachers, province-wide (N.S.)	10,000	3.4	4.9	24	1999-10-31
Government of Saskatchewan, elementary & secondary teachers, province-wide (Sask.)	12,000	1.7	1.0	36	1999-12-31
Loomis Courier Service, Division of Mayne Nickless Transport Inc., owner operators, province-wide (B.C.)	830	2.1	2.3	36	2000-12-31
McGill University, teaching assistants, Montreal (QC)	750	0.0	0.0	41	2001-05-31
Nova Scotia Association of Health Organizations, nurses, province-wide (N.S.)	3,500	2.8	3.1	36	2000-10-31
Nova Scotia Association of Health Organizations, support & technical empls., province-wide (N.S.)	3,000	1.5	0.0	41	2001-03-31
Pacific National Exhibition, service and maintenance empls., Vancouver (B.C.)	510	0.5	1.0	36	2000-12-31
Queen Elizabeth II Health Sciences Centre, nurses and support services empls., province-wide (N.S.)	5,770	2.8	3.1	36	2000-10-31
Red Deer Public School District No. 104, elementary and secondary teachers, Red Deer (Alta.)	510	2.2	2.0	24	1998-08-31
Regional Municipality of Durham, service and maintenance empls., Whitby (Ont.)	750	2.9	3.7	36	2001-03-31
Royal Alexandra Hospital, non-medical empls., Edmonton (Alta.)	1,250	2.2	0.0	48	2000-03-31
The Board of Governors of Mount Royal College, instructors/tutors/lecturers, Calgary (Alta.)	530	3.0	3.0	24	1999-06-30
Toronto Public Library Board, librarians, Toronto (Ont.)	640	0.0	0.0	12	1998-12-31
Transcona-Springfield School Division No. 12, elementary & secondary teachers, Transcona (Man.)	530	0.0	0.0	24	1996-12-31
University of Alberta, office and clerical empls., Edmonton (Alta.)	2,400	1.7	0.0	36	2000-03-31
University of Saskatchewan, professors, Saskatoon (Sask.)	930	1.3	1.3	36	1998-06-30
University of Victoria, office and clerical empls., Victoria (B.C.)	600	0.5	0.0	24	1999-03-31
Public Administration (17 agreements)	32,470	1.4	0.8	35.5	
City of Calgary, firefighters, Calgary (Alta.)	1,200	0.4	0.0	60	1997-12-31
City of Edmonton, inside empls., Edmonton (Alta.)	3,100	1.2	0.0	48	2000-01-06
City of Montreal, outside empls., Montreal (QC)	4,510	0.6	0.0	40	2001-04-30
City of Quebec, outside empls., Quebec (QC)	500	0.5	0.0	24	1999-12-31
City of Toronto, firefighters, Toronto (Ont.)	1,200	1.6	0.0	24	1997-12-31
City of Winnipeg, police officers, Winnipeg (Man.)	1,400	1.9	0.0	48	2000-12-23
Government of Alberta, administrative services empls., province-wide (Alta.)	1,940	2.3	2.4	24	1999-08-31
Government of Alberta, correctional officers, province-wide (Alta.)	1,680	2.3	2.4	24	1999-08-31
Government of Alberta, general tradesmen, province-wide (Alta.)	700	2.3	2.4	24	1999-08-31
Government of Alberta, natural resource conservation, province-wide (Alta.)	780	2.3	2.4	24	1999-08-31
Government of Canada, support empls., Canada-wide	2,420	1.9	1.8	24	1999-06-21
Government of Newfoundland, general services empls., province-wide (Nfld.)	4,000	1.4	0.0	60	2001-03-31
Government of Newfoundland, service and maintenance empls., province-wide (Nfld.)	1,090	1.4	0.0	60	2001-03-31
Montreal Urban Community, inside empls., Montreal (QC)	1,430	1.3	0.0	37	2000-12-31
Montreal Urban Community, police officers, Montreal (QC)	4,510	1.5	1.5	12	1998-12-31
Regional Municipality of Durham, inside empls., Whitby (Ont.)	760	2.9	3.7	36	2001-03-31
The Corporation of the City of Toronto, recreational empls., Toronto (Ont.)	1,250	0.0	0.0	18	1997-12-31

Source: Workplace Information Directorate

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* Cost-of-Living Allowance (COLA) formulae are quantified using a combination of the latest relevant Consumer Price Index (CPI) data available and/or a projected CPI increase of 2 per cent. Consult the Technical Notes for information on the calculation of the yield from COLA increases, and definitions of the industry and sector divisions used in this publication.

Table A-1

Effective Wage Adjustment in Base Rates, Number of Agreements and Employees Covered, by Year and Quarter

	1995	1996	1997	1997			1998
				2	3	4	1
All Industries							
Wage Adjustment (%)	0.9	0.9	1.6	1.8	1.4	1.7	1.8
Number of Agreements	403	376	371	122	75	92	62
Number of Employees (000's)	909.5	796.5	682.8	238.9	131.7	183.6	114.0
Private Sector							
Wage Adjustment (%)	1.4	1.8	2.1	2.5	1.6	1.8	1.8
Number of Agreements	188	165	155	53	41	31	18
Number of Employees (000's)	279.9	244.4	317.5	142.8	87.2	47.2	17.2
Public Sector							
Wage Adjustment (%)	0.6	0.5	1.2	0.8	0.9	1.6	1.8
Number of Agreements	215	211	216	69	34	61	44
Number of Employees (000's)	629.6	552.1	365.3	96.2	44.5	136.4	96.8
Federal Administration							
Wage Adjustment (%)	-	0.0	3.2	-	-	3.2	2.1
Number of Agreements	-	1	1	-	-	1	2
Number of Employees (000's)	-	0.6	7.6	-	-	7.6	4.6
Federal Crown Corporations							
Wage Adjustment (%)	1.0	0.4	1.4	0.4	0.0	1.7	-
Number of Agreements	12	5	8	2	1	3	-
Number of Employees (000's)	74.6	10.1	65.4	12.0	0.6	49.0	-
Provincial Administration							
Wage Adjustment (%)	0.9	0.3	1.1	1.4	0.6	1.2	1.8
Number of Agreements	29	38	26	3	4	17	8
Number of Employees (000's)	109.2	153.8	44.7	6.6	2.3	32.5	11.8
Local Administration							
Wage Adjustment (%)	0.5	0.8	1.3	0.7	1.2	1.6	1.1
Number of Agreements	28	31	33	7	10	7	11
Number of Employees (000's)	45.1	48.8	43.2	8.3	15.0	5.5	21.5
Education, Health and Welfare							
Wage Adjustment (%)	0.5	0.5	1.0	0.8	0.8	1.7	2.0
Number of Agreements	145	119	145	57	18	31	22
Number of Employees (000's)	399.9	303.2	200.9	69.2	24.3	40.5	58.0
Public Utilities							
Wage Adjustment (%)	0.0	0.9	1.3	-	1.5	1.1	0.7
Number of Agreements	1	17	3	-	1	2	1
Number of Employees (000's)	0.8	35.4	3.6	-	2.3	1.3	0.9

Table A-2

**Effective Wage Adjustment in Base Rates, by Duration, by Effective Period,
First Quarter 1998**

Sector/ Agreement Duration	Number of Agreements	Number of Employees	First 12 Months	Second 12 Months	Third 12 Months	Fourth 12 Months	Average Annual Adjustment	Average Agreement Duration
		(000's)	(%)	(%)	(%)	(%)	(%)	(Months)
All Industries								
17 Months or Less	6	8.9	1.1	0.0	-	-	1.0	12.2
18-29 Months	18	30.3	2.8	1.9	-	-	2.3	23.8
30-41 Months	23	50.0	1.5	2.3	1.8	1.2	1.9	36.8
42 Months or More	15	24.8	-1.3	1.5	1.0	2.1	1.1	56.6
All Agreements	62	114.0	1.2	2.0	1.5	1.8	1.8	35.7
Private Sector								
17 Months or Less	3	2.7	0.6	0.0	-	-	0.5	12.6
18-29 Months	2	3.6	2.2	2.0	-	-	2.1	24.0
30-41 Months	10	8.4	2.7	2.9	2.8	0.0	2.8	36.0
42 Months or More	3	2.6	-12.4	1.9	1.7	2.4	-0.7	57.5
All Agreements	18	17.2	0.0	2.3	2.6	2.0	1.8	33.1
Public Sector								
17 Months or Less	3	6.2	1.3	-	-	-	1.3	12.0
18-29 Months	16	26.7	2.9	1.9	-	-	2.4	23.7
30-41 Months	13	41.7	1.3	2.2	1.5	1.2	1.8	36.9
42 Months or More	12	22.2	0.0	1.5	0.9	2.1	1.4	56.5
All Agreements	44	96.8	1.4	1.9	1.3	1.8	1.8	36.2
Federal Administration								
17 Months or Less	-	-	-	-	-	-	-	-
18-29 Months	2	4.6	2.1	2.0	-	-	2.1	24.0
30-41 Months	-	-	-	-	-	-	-	-
42 Months or More	-	-	-	-	-	-	-	-
All Agreements	2	4.6	2.1	2.0	-	-	2.1	24.0
Federal Crown Corporations								
17 Months or Less	-	-	-	-	-	-	-	-
18-29 Months	-	-	-	-	-	-	-	-
30-41 Months	-	-	-	-	-	-	-	-
42 Months or More	-	-	-	-	-	-	-	-
All Agreements	-	-	-	-	-	-	-	-
Provincial Administration								
17 Months or Less	1	1.1	1.0	-	-	-	1.0	12.0
18-29 Months	5	5.6	2.4	2.3	-	-	2.4	24.0
30-41 Months	-	-	-	-	-	-	-	-
42 Months or More	2	5.1	0.0	2.0	0.0	2.0	1.4	60.0
All Agreements	8	11.8	1.2	2.2	0.0	2.0	1.8	38.5
Local Administration								
17 Months or Less	1	4.5	1.5	-	-	-	1.5	12.0
18-29 Months	3	3.0	0.0	1.5	-	-	0.7	21.5
30-41 Months	3	6.7	0.4	0.3	0.7	2.0	1.0	38.9
42 Months or More	4	7.3	0.0	0.5	1.8	2.2	1.2	53.3
All Agreements	11	21.5	0.4	0.6	1.3	2.1	1.1	35.7
Education, Health and Welfare								
17 Months or Less	1	0.6	0.0	-	-	-	0.0	12.0
18-29 Months	6	13.5	3.9	1.8	-	-	2.9	24.0
30-41 Months	10	35.0	1.5	2.6	1.7	0.0	1.9	36.5
42 Months or More	5	8.9	0.1	2.1	0.7	2.1	1.5	58.0
All Agreements	22	58.0	1.8	2.3	1.5	1.5	2.0	36.6
Public Utilities								
17 Months or Less	-	-	-	-	-	-	-	-
18-29 Months	-	-	-	-	-	-	-	-
30-41 Months	-	-	-	-	-	-	-	-
42 Months or More	1	0.9	0.0	0.0	1.5	1.5	0.7	48.0
All Agreements	1	0.9	0.0	0.0	1.5	1.5	0.7	48.0

Table B-1

**Effective Wage Adjustment in Base Rates, by Major Industry Division,
with and without COLA, by Year and Quarter**

	1995	1996	1997	1997			1998
				2	3	4	1
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
All Industries							
Agreements without COLA	0.8	0.6	1.6	1.8	1.4	1.6	1.8
Agreements with COLA	1.4	2.5	1.8	1.8	1.7	1.7	3.1
All Agreements	0.9	0.9	1.6	1.8	1.4	1.7	1.8
Primary Industry							
Agreements without COLA	2.5	1.7	1.9	2.7	1.5	1.2	-
Agreements with COLA	-	1.7	2.0	1.9	1.9	-	-
All Agreements	2.5	1.7	1.9	2.0	1.8	1.2	-
Manufacturing							
Agreements without COLA	2.1	2.7	1.9	2.4	1.8	1.0	1.7
Agreements with COLA	2.5	2.9	2.7	2.9	3.0	2.2	3.3
All Agreements	2.3	2.9	2.1	2.7	1.9	1.6	2.1
Construction							
Agreements without COLA	1.0	0.0	2.6	2.7	2.0	2.3	-
Agreements with COLA	1.7	1.4	-	-	-	-	-
All Agreements	1.0	0.1	2.6	2.7	2.0	2.3	-
Transportation, Communication and Other Utilities							
Agreements without COLA	1.2	0.6	1.7	1.8	1.5	0.9	1.2
Agreements with COLA	0.7	2.0	1.5	0.0	1.0	1.7	2.5
All Agreements	1.1	0.8	1.6	1.4	1.5	1.6	1.3
Trade; Finance, Insurance and Real Estate							
Agreements without COLA	0.9	0.7	1.7	2.0	1.7	1.1	1.7
Agreements with COLA	-	0.3	1.6	-	1.5	1.8	-
All Agreements	0.9	0.6	1.6	2.0	1.6	1.4	1.7
Community, Business and Personal Services							
Agreements without COLA	0.5	0.6	1.0	0.8	0.8	1.7	2.0
Agreements with COLA	0.8	0.8	1.5	1.6	-	0.6	-
All Agreements	0.5	0.6	1.0	0.9	0.8	1.6	2.0
Public Administration							
Agreements without COLA	0.6	0.2	1.4	0.7	1.2	1.8	1.4
Agreements with COLA	1.3	2.3	1.3	-	-	1.3	-
All Agreements	0.7	0.3	1.4	0.7	1.2	1.8	1.4

Table B-2

**Number of Agreements and Employees Covered, by Major Industry Division,
with and without COLA, by Year and Quarter**

	1995		1996		1997	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
	(000's)		(000's)		(000's)	
All Industries						
Agreements without COLA	370	815.9	328	680.5	336	573.6
Agreements with COLA	33	93.6	48	115.9	35	109.2
All Agreements	403	909.5	376	796.5	371	682.8
Primary Industry						
Agreements without COLA	4	3.1	8	7.0	3	2.3
Agreements with COLA	-	-	3	3.5	4	7.7
All Agreements	4	3.1	11	10.5	7	10.0
Manufacturing						
Agreements without COLA	49	41.4	49	34.3	41	49.9
Agreements with COLA	25	31.0	32	77.1	20	21.9
All Agreements	74	72.3	81	111.4	61	71.9
Construction						
Agreements without COLA	67	124.8	11	9.0	30	99.3
Agreements with COLA	2	1.1	2	1.1	-	-
All Agreements	69	125.9	13	10.1	30	99.3
Transportation, Communication and Other Utilities						
Agreements without COLA	40	97.7	61	117.3	28	70.8
Agreements with COLA	3	54.9	6	18.2	4	56.8
All Agreements	43	152.6	67	135.5	32	127.6
Trade; Finance, Insurance and Real Estate						
Agreements without COLA	13	15.4	16	30.8	28	55.4
Agreements with COLA	-	-	1	9.4	4	18.7
All Agreements	13	15.4	17	40.2	32	74.1
Community, Business and Personal Services						
Agreements without COLA	157	416.6	136	331.9	161	225.5
Agreements with COLA	2	1.1	2	1.1	2	3.4
All Agreements	159	417.6	138	333.0	163	228.9
Public Administration						
Agreements without COLA	40	117.0	47	150.2	45	70.5
Agreements with COLA	1	5.5	2	5.5	1	0.6
All Agreements	41	122.5	49	155.8	46	71.1

Table B-2 (continued)

**Number of Agreements and Employees Covered, by Major Industry Division,
with and without COLA, by Year and Quarter**

	1997						1998	
	2		3		4		1	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
	(000's)		(000's)		(000's)		(000's)	
All Industries								
Agreements without COLA	111	212.5	69	116.5	83	124.2	58	110.8
Agreements with COLA	11	26.5	6	15.1	9	59.4	4	3.2
All Agreements	122	238.9	75	131.7	92	183.6	62	114.0
Primary Industry								
Agreements without COLA	1	0.9	1	0.5	1	0.9	-	-
Agreements with COLA	2	5.5	1	1.4	-	-	-	-
All Agreements	3	6.4	2	1.9	1	0.9	-	-
Manufacturing								
Agreements without COLA	11	7.1	11	26.3	5	3.1	6	8.2
Agreements with COLA	7	11.0	2	1.5	4	3.2	3	2.7
All Agreements	18	18.1	13	27.8	9	6.2	9	10.8
Construction								
Agreements without COLA	16	81.3	4	5.6	10	12.4	-	-
Agreements with COLA	-	-	-	-	-	-	-	-
All Agreements	16	81.3	4	5.6	10	12.4	-	-
Transportation, Comm. and Other Utilities								
Agreements without COLA	9	23.5	5	14.0	6	7.4	8	8.6
Agreements with COLA	1	7.0	1	0.7	1	47.9	1	0.5
All Agreements	10	30.5	6	14.7	7	55.3	9	9.1
Trade; Finance, Insurance and Real Estate								
Agreements without COLA	7	19.0	8	17.7	9	14.5	2	1.6
Agreements with COLA	-	-	2	11.5	2	7.2	-	-
All Agreements	7	19.0	10	29.2	11	21.7	2	1.6
Community, Business and Personal Services								
Agreements without COLA	60	72.5	27	35.7	34	50.0	25	59.9
Agreements with COLA	1	2.9	-	-	1	0.5	-	-
All Agreements	61	75.4	27	35.7	35	50.5	25	59.9
Public Administration								
Agreements without COLA	7	8.2	13	16.7	18	36.0	17	32.5
Agreements with COLA	-	-	-	-	1	0.6	-	-
All Agreements	7	8.2	13	16.7	19	36.6	17	32.5

Table B-3

**Effective Wage Adjustment in Base Rates, by Major Industry Division,
by Duration of Agreement, with and without COLA, First Quarter 1998**

	17 Months or Less			18-29 Months		
	Number of Agreements	Number of Employees	Average Annual Adjustment	Number of Agreements	Number of Employees	Average Annual Adjustment
		(000's)	(%)		(000's)	(%)
All Industries						
Agreements without COLA	6	8.9	1.0	18	30.3	2.3
Agreements with COLA	-	-	-	-	-	-
All Agreements	6	8.9	1.0	18	30.3	2.3
Primary Industry						
Agreements without COLA	-	-	-	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	-	-	-
Manufacturing						
Agreements without COLA	-	-	-	2	3.6	2.1
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	2	3.6	2.1
Construction						
Agreements without COLA	-	-	-	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	-	-	-
Transportation, Communication and Other Utilities						
Agreements without COLA	3	2.7	0.5	1	2.2	2.3
Agreements with COLA	-	-	-	-	-	-
All Agreements	3	2.7	0.5	1	2.2	2.3
Trade; Finance, Insurance and Real Estate						
Agreements without COLA	1	1.1	1.0	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	1	1.1	1.0	-	-	-
Community, Business and Personal Services						
Agreements without COLA	1	0.6	0.0	7	14.1	2.9
Agreements with COLA	-	-	-	-	-	-
All Agreements	1	0.6	0.0	7	14.1	2.9
Public Administration						
Agreements without COLA	1	4.5	1.5	8	10.5	1.8
Agreements with COLA	-	-	-	-	-	-
All Agreements	1	4.5	1.5	8	10.5	1.8

Table B-3 (continued)

**Effective Wage Adjustment in Base Rates, by Major Industry Division,
by Duration of Agreement, with and without COLA, First Quarter 1998**

	30-41 Months			42 Months or More		
	Number of Agreements	Number of Employees	Average Annual Adjustment	Number of Agreements	Number of Employees	Average Annual Adjustment
		(000's)	(%)		(000's)	(%)
All Industries						
Agreements without COLA	20	48.0	1.9	14	23.7	1.1
Agreements with COLA	3	2.1	3.2	1	1.1	3.1
All Agreements	23	50.0	1.9	15	24.8	1.1
Primary Industry						
Agreements without COLA	-	-	-	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	-	-	-
Manufacturing						
Agreements without COLA	2	3.1	3.7	2	1.5	-3.5
Agreements with COLA	2	1.6	3.4	1	1.1	3.1
All Agreements	4	4.7	3.6	3	2.6	-0.7
Construction						
Agreements without COLA	-	-	-	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	-	-	-
Transportation, Communication and Other Utilities						
Agreements without COLA	2	1.3	1.1	2	2.5	1.0
Agreements with COLA	1	0.5	2.5	-	-	-
All Agreements	3	1.8	1.5	2	2.5	1.0
Trade; Finance, Insurance and Real Estate						
Agreements without COLA	1	0.6	2.9	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	1	0.6	2.9	-	-	-
Community, Business and Personal Services						
Agreements without COLA	12	36.3	1.9	5	8.9	1.5
Agreements with COLA	-	-	-	-	-	-
All Agreements	12	36.3	1.9	5	8.9	1.5
Public Administration						
Agreements without COLA	3	6.7	1.0	5	10.8	1.3
Agreements with COLA	-	-	-	-	-	-
All Agreements	3	6.7	1.0	5	10.8	1.3

Table B-4

**Effective Wage Adjustment in Base Rates, by Major Industry Division,
with and without COLA, First Quarter 1998**

	Number of Agreements	Number of Employees	Average Annual Adjustment	First 12 Months	Average Agreement Duration
		(000's)	(%)	(%)	(Months)
All Industries					
Agreements without COLA	58	110.8	1.8	1.2	35.6
Agreements with COLA	4	3.2	3.1	3.0	40.2
All Agreements	62	114.0	1.8	1.2	35.7
Primary Industry					
Agreements without COLA	-	-	-	-	-
Agreements with COLA	-	-	-	-	-
All Agreements	-	-	-	-	-
Manufacturing					
Agreements without COLA	6	8.2	1.7	-1.9	35.9
Agreements with COLA	3	2.7	3.3	3.2	41.0
All Agreements	9	10.8	2.1	-0.7	37.1
Construction					
Agreements without COLA	-	-	-	-	-
Agreements with COLA	-	-	-	-	-
All Agreements	-	-	-	-	-
Transportation, Communication and Other Utilities					
Agreements without COLA	8	8.6	1.2	0.9	32.0
Agreements with COLA	1	0.5	2.5	1.6	36.0
All Agreements	9	9.1	1.3	1.0	32.2
Trade; Finance, Insurance and Real Estate					
Agreements without COLA	2	1.6	1.7	1.7	20.3
Agreements with COLA	-	-	-	-	-
All Agreements	2	1.6	1.7	1.7	20.3
Community, Business and Personal Services					
Agreements without COLA	25	59.9	2.0	1.8	36.5
Agreements with COLA	-	-	-	-	-
All Agreements	25	59.9	2.0	1.8	36.5
Public Administration					
Agreements without COLA	17	32.5	1.4	0.8	35.5
Agreements with COLA	-	-	-	-	-
All Agreements	17	32.5	1.4	0.8	35.5

Table C-1

**Effective Wage Adjustment in Base Rates, by Region/Jurisdiction,
by Year and Quarter**

	1995	1996	1997	1997			1998
				2	3	4	1
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
All Sectors							
CANADA	0.9	0.9	1.6	1.8	1.4	1.7	1.8
<i>Atlantic</i>	0.9	1.8	1.3	1.1	3.6	1.1	2.2
Newfoundland	0.7	2.0	1.8	0.0	3.6	1.1	1.5
Prince Edward Island	1.7	1.7	-	-	-	-	-
Nova Scotia	1.2	1.7	2.0	-	-	2.0	2.8
New Brunswick	0.9	1.7	1.0	1.8	-	1.0	1.4
Quebec	0.8	1.5	2.3	2.8	1.1	1.4	1.0
Ontario	1.0	1.0	1.1	1.3	1.2	1.1	1.5
<i>Prairies</i>	0.3	0.6	2.0	1.8	2.2	2.2	1.8
Manitoba	0.4	0.2	1.1	0.0	1.5	1.4	2.5
Saskatchewan	1.9	1.1	1.0	0.9	-	1.0	1.6
Alberta	-0.3	1.0	2.4	2.2	2.4	2.8	1.8
British Columbia	1.3	0.6	1.4	1.6	1.6	0.9	0.6
More than One Province	1.1	2.3	2.8	2.5	0.0	3.2	-
Federal	1.0	0.5	1.8	1.3	1.5	1.9	1.7
Public Sector							
CANADA	0.6	0.5	1.2	0.8	0.9	1.6	1.8
<i>Atlantic</i>	0.6	1.4	1.4	0.0	3.6	1.4	2.2
Newfoundland	0.0	0.6	2.1	0.0	3.6	-	1.4
Prince Edward Island	-	1.7	-	-	-	-	-
Nova Scotia	-	-	1.8	-	-	1.8	2.9
New Brunswick	1.1	1.5	1.3	-	-	1.4	1.4
Quebec	0.7	1.0	1.2	0.7	0.7	0.7	1.0
Ontario	0.3	0.3	0.6	0.6	0.7	1.0	1.4
<i>Prairies</i>	0.3	0.4	1.7	1.3	1.5	2.1	1.7
Manitoba	0.3	0.0	1.0	0.0	1.5	1.3	1.2
Saskatchewan	1.9	0.9	0.9	0.9	-	1.0	1.6
Alberta	-0.7	0.7	2.2	1.7	1.4	2.7	1.8
British Columbia	1.2	0.5	0.9	0.5	1.3	0.6	0.6
More than One Province	-	-	-	-	-	-	-
Federal	0.9	0.1	1.6	0.4	0.0	1.9	2.1
Private Sector							
CANADA	1.4	1.8	2.1	2.5	1.6	1.8	1.8
<i>Atlantic</i>	1.4	2.1	1.2	1.8	-	0.8	1.8
Newfoundland	3.0	2.6	1.7	-	-	1.1	1.8
Prince Edward Island	1.7	-	-	-	-	-	-
Nova Scotia	1.2	1.7	2.1	-	-	2.1	1.4
New Brunswick	0.4	2.0	0.4	1.8	-	0.0	-
Quebec	1.6	2.2	2.5	3.0	1.2	1.6	1.4
Ontario	1.6	2.3	1.9	2.0	1.6	1.4	1.5
<i>Prairies</i>	0.7	2.1	2.5	2.4	2.5	2.9	4.9
Manitoba	0.9	2.0	1.8	-	-	1.7	4.9
Saskatchewan	2.5	2.0	1.4	1.0	-	-	-
Alberta	0.3	2.2	2.6	2.5	2.5	3.6	-
British Columbia	1.3	0.9	1.6	2.7	1.6	1.3	0.5
More than One Province	1.1	2.3	2.8	2.5	0.0	3.2	-
Federal	1.3	0.7	2.0	2.1	1.5	3.2	1.3

Table C-2

**Number of Agreements and Employees Covered, by Region/Jurisdiction,
by Year and Quarter**

	1995		1996		1997	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)
All Sectors						
CANADA	403	909.5	376	796.5	371	682.8
<i>Atlantic</i>	17	21.2	32	34.2	18	20.9
Newfoundland	4	7.1	9	8.0	5	6.1
Prince Edward Island	1	0.5	6	6.9	-	-
Nova Scotia	6	4.5	8	5.6	2	1.8
New Brunswick	6	9.1	9	13.8	11	13.0
Quebec	78	329.7	57	81.1	36	89.4
Ontario	141	214.6	144	293.7	170	231.2
<i>Prairies</i>	58	102.3	71	113.1	79	145.0
Manitoba	25	49.4	31	53.6	21	27.9
Saskatchewan	8	15.1	17	34.9	7	16.9
Alberta	25	37.8	23	24.6	51	100.2
British Columbia	66	89.7	30	188.4	35	70.3
More than One Province	11	13.1	2	1.6	7	7.7
Federal	32	138.8	40	84.3	26	118.4
Public Sector						
CANADA	215	629.6	211	552.1	216	365.3
<i>Atlantic</i>	6	12.4	11	18.0	8	10.8
Newfoundland	3	5.4	3	2.4	2	1.2
Prince Edward Island	-	-	6	6.9	-	-
Nova Scotia	-	-	-	-	1	0.6
New Brunswick	3	7.1	2	8.8	5	9.0
Quebec	54	302.5	20	46.0	15	17.9
Ontario	71	105.7	89	190.5	110	137.0
<i>Prairies</i>	39	80.6	55	98.7	55	100.6
Manitoba	19	41.9	25	48.5	18	24.0
Saskatchewan	6	13.8	13	30.4	4	14.5
Alberta	14	24.8	17	19.8	33	62.1
British Columbia	31	42.7	23	168.6	18	25.4
More than One Province	-	-	-	-	-	-
Federal	14	85.8	13	30.2	10	73.6
Private Sector						
CANADA	188	279.9	165	244.4	155	317.5
<i>Atlantic</i>	11	8.8	21	16.2	10	10.1
Newfoundland	1	1.8	6	5.6	3	4.9
Prince Edward Island	1	0.5	-	-	-	-
Nova Scotia	6	4.5	8	5.6	1	1.2
New Brunswick	3	2.0	7	5.0	6	4.0
Quebec	24	27.2	37	35.1	21	71.5
Ontario	70	108.9	55	103.2	60	94.2
<i>Prairies</i>	19	21.7	16	14.4	24	44.5
Manitoba	6	7.5	6	5.0	3	3.9
Saskatchewan	2	1.3	4	4.5	3	2.4
Alberta	11	12.9	6	4.8	18	38.1
British Columbia	35	47.1	7	19.8	17	44.9
More than One Province	11	13.1	2	1.6	7	7.7
Federal	18	53.1	27	54.1	16	44.8

Table C-2 (continued)

Number of Agreements and Employees Covered, by Region/Jurisdiction,
by Year and Quarter

	1997						1998	
	2		3		4		1	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
	(000's)		(000's)		(000's)		(000's)	
All Sectors								
CANADA	122	238.9	75	131.7	92	183.6	62	114.0
<i>Atlantic</i>	2	1.3	1	0.7	12	13.1	12	42.8
Newfoundland	1	0.5	1	0.7	2	1.9	5	13.8
Prince Edward Island	-	-	-	-	-	-	-	-
Nova Scotia	-	-	-	-	2	1.8	5	22.9
New Brunswick	1	0.8	-	-	8	9.4	2	6.1
Quebec	12	54.2	7	8.9	5	12.4	8	13.5
Ontario	66	89.7	38	59.2	27	31.9	11	10.7
<i>Prairies</i>	28	59.3	6	9.7	28	42.3	19	35.3
Manitoba	1	1.4	1	2.3	12	17.6	4	4.6
Saskatchewan	4	14.5	-	-	1	0.6	2	12.9
Alberta	23	43.5	5	7.4	15	24.0	13	17.7
British Columbia	4	6.1	17	40.3	11	21.6	4	2.3
More than One Province	3	2.7	1	0.5	3	4.5	-	-
Federal	7	25.6	5	12.4	6	57.9	8	9.3
Public Sector								
CANADA	69	96.2	34	44.5	61	136.4	44	96.8
<i>Atlantic</i>	1	0.5	1	0.7	5	7.3	10	39.7
Newfoundland	1	0.5	1	0.7	-	-	4	11.3
Prince Edward Island	-	-	-	-	-	-	-	-
Nova Scotia	-	-	-	-	1	0.6	4	22.3
New Brunswick	-	-	-	-	4	6.7	2	6.1
Quebec	5	4.5	3	1.7	2	2.9	6	12.4
Ontario	43	44.4	19	28.6	19	22.2	5	4.6
<i>Prairies</i>	15	31.7	2	3.0	24	35.2	18	33.7
Manitoba	1	1.4	1	2.3	10	15.0	3	3.0
Saskatchewan	3	13.9	-	-	1	0.6	2	12.9
Alberta	11	16.4	1	0.7	13	19.7	13	17.7
British Columbia	3	3.1	8	10.0	6	11.6	3	1.8
More than One Province	-	-	-	-	-	-	-	-
Federal	2	12.0	1	0.6	5	57.2	2	4.6
Private Sector								
CANADA	53	142.8	41	87.2	31	47.2	18	17.2
<i>Atlantic</i>	1	0.8	-	-	7	5.8	2	3.1
Newfoundland	-	-	-	-	2	1.9	1	2.5
Prince Edward Island	-	-	-	-	-	-	-	-
Nova Scotia	-	-	-	-	1	1.2	1	0.6
New Brunswick	1	0.8	-	-	4	2.7	-	-
Quebec	7	49.7	4	7.2	3	9.4	2	1.1
Ontario	23	45.3	19	30.6	8	9.7	6	6.1
<i>Prairies</i>	13	27.6	4	6.7	4	7.0	1	1.6
Manitoba	-	-	-	-	2	2.7	1	1.6
Saskatchewan	1	0.6	-	-	-	-	-	-
Alberta	12	27.0	4	6.7	2	4.4	-	-
British Columbia	1	3.0	9	30.3	5	10.0	1	0.5
More than One Province	3	2.7	1	0.5	3	4.5	-	-
Federal	5	13.6	4	11.9	1	0.7	6	4.7

Table D-1

Major Wage Settlements, by Public and Private Sectors,
by Year and Quarter

	Public Sector				Private Sector				All Sectors			
	Agmts.	Dur.	Empls.	Avg. Adj.	Agmts.	Dur.	Empls.	Avg. Adj.	Agmts.	Dur.	Empls.	Avg. Adj.
	(Months)	(Months)	(000's)	(%)	(Months)	(Months)	(000's)	(%)	(Months)	(Months)	(000's)	(%)
Year												
1978	369	17.2	885.3	7.1	308	22.6	429.8	8.7	677	18.9	1,315.2	7.6
1979	317	24.3	756.0	9.5	252	27.2	387.0	11.1	569	25.3	1,142.9	10.0
1980	325	26.0	919.4	10.9	233	27.5	298.8	11.7	558	26.3	1,218.2	11.1
1981	290	18.9	577.6	13.1	210	27.3	323.4	12.6	500	21.9	901.0	13.0
1982	318	14.5	862.6	10.4	190	25.2	284.7	9.5	508	17.2	1,147.3	10.2
1983	458	19.6	1,241.6	4.6	200	25.0	302.8	5.5	658	20.6	1,544.3	4.8
1984	276	17.0	635.2	3.9	283	26.1	521.0	3.2	559	21.1	1,156.2	3.6
1985	316	21.7	566.8	3.8	200	30.1	271.8	3.3	516	24.5	838.6	3.7
1986	321	25.3	709.2	3.6	232	26.0	412.2	3.0	553	25.6	1,121.5	3.4
1987	270	29.4	824.3	4.1	208	31.4	287.0	3.8	478	29.9	1,111.3	4.0
1988	301	24.0	698.6	4.0	241	27.2	484.1	5.0	542	25.3	1,182.7	4.4
1989	294	30.0	736.0	5.2	159	28.6	265.8	5.2	453	29.6	1,001.8	5.2
1990	283	27.4	677.8	5.6	224	29.7	468.5	5.7	507	28.4	1,146.4	5.6
1991	365	16.0	1,121.7	3.4	182	29.2	224.0	4.4	547	18.2	1,345.6	3.6
1992	301	21.7	975.9	2.0	195	32.2	330.9	2.6	496	24.3	1,306.8	2.1
1993	346	23.4	1,011.4	0.6	172	25.2	401.0	0.8	518	23.9	1,412.4	0.6
1994	299	26.5	719.8	0.0	135	34.1	222.8	1.3	434	28.3	942.6	0.3
1995	215	31.5	629.6	0.6	188	35.8	279.9	1.4	403	32.8	909.5	0.9
1996	211	31.7	552.1	0.5	165	34.8	244.4	1.8	376	32.7	796.5	0.9
1997	216	30.1	365.3	1.2	155	34.3	317.5	2.1	371	32.1	682.8	1.6
1998*	44	36.2	96.8	1.8	18	33.1	17.2	1.8	62	35.7	114.0	1.8

*Year to Date

Quarter

1995	I	41	28.2	138.1	0.6	36	33.8	45.8	1.9	77	29.6	183.9	0.9
	II	57	30.6	94.8	0.8	66	35.0	93.8	1.3	123	32.8	188.5	1.1
	III	34	28.9	87.5	0.4	59	38.2	113.4	1.2	93	34.2	201.0	0.9
	IV	83	33.9	309.2	0.7	27	31.6	26.8	1.6	110	33.7	336.0	0.7
1996	I	52	43.3	122.5	0.2	33	32.4	46.8	1.3	85	40.3	169.3	0.5
	II	74	27.7	279.9	0.5	48	37.5	46.6	1.6	122	29.1	326.5	0.7
	III	47	28.9	74.9	0.5	49	29.0	64.9	1.8	96	29.0	139.8	1.1
	IV	38	30.8	74.8	0.7	35	38.9	86.0	2.1	73	35.1	160.8	1.5
1997	I	52	29.5	88.2	1.0	30	36.5	40.4	2.1	82	31.7	128.6	1.3
	II	69	26.1	96.2	0.8	53	26.1	142.8	2.5	122	26.1	238.9	1.8
	III	34	31.0	44.5	0.9	41	38.1	87.2	1.6	75	35.7	131.7	1.4
	IV	61	33.1	136.4	1.6	31	50.1	47.2	1.8	92	37.5	183.6	1.7
1998	I	44	36.2	96.8	1.8	18	33.1	17.2	1.8	62	35.7	114.0	1.8

Agmts. - Number of Agreements

Avg. Adj. - Average Annual Adjustment

Dur. - Average Agreement Duration

Empls. - Number of Employees

TECHNICAL NOTES

The information in this report is produced from collective agreement settlements in Canada which cover 500 or more employees in all industries. A few settlements are excluded where the basis of payment is on a piece/mileage rate basis.

The construction industry is excluded prior to 1983.

PUBLIC AND PRIVATE SECTORS

The principal unit of observation is the collective bargaining unit; however, the designation for inclusion in the public sector is by reference to characteristics of the employer with whom a bargaining unit negotiates. Reference to the employer characteristics makes the directives consistent with Statistics Canada's use of "institutional units" or "entities".

While the criteria relate to the classification of the public sector only, *the private sector is defined by exclusion.*

Public sector bargaining units negotiate wages or other working conditions with an employer who is part of, or an agent of, a government or a government business enterprise. The distinction between the two is whether the activity engaged in is "non-commercial" (Government) or "commercial" (Government Business Enterprise).

Government (Non-Commercial)

The government component comprises all non-commercial entities controlled by governments and mainly financed out of general taxation or other public funds. These entities provide goods and/or services free or at non-market prices (not having a view to profit).

Sub-sectors of the government component are identified below:

(1) Federal Government

Collective bargaining in the Federal Government component is conducted under the *Public Service Staff Relations Act* (Parts 1 and 2), and the *Parliamentary Employment and Staff Relations Act*.

(2) Provincial and Territorial Governments

- (a) provincial and territorial government administration;
- (b) health, education and social services agencies or institutions
 - (i) public hospitals,
 - (ii) provincial residential care facilities,
 - (iii) universities,
 - (iv) colleges, vocational and trade institutions,
 - (v) social services business enterprise,
 - (vi) provincial elementary and secondary schools.

(3) Local Government Administration

- (a) local government organizations such as: municipalities, boards, commissions;
- (b) school boards;
- (c) social services: establishments at the local level primarily engaged in providing basic domiciliary care only, such as homes for the aged, blind or senile, boarding houses for the aged, day nurseries, shelters, etc.

Government Business Enterprise (Commercial)

The commercial component of the public sector is divided into three broad sub-groupings, based on degree of governmental control, as follows:

(1) Direct Control

A commercial enterprise is directly controlled by a government if one of the following conditions is met:

- (a) a government holds more than 50 per cent of its voting equity, directly;
- (b) a government has irrevocable options or the right to acquire shares, or convertible debt or equity, exercisable at the discretion of that government.

(2) Effective Control

A commercial enterprise is effectively controlled by a government if one of the following conditions is met:

- (a) the government holds a significant voting ownership in a public enterprise, where significant is understood as:
 - (i) the holding is the largest block of voting equity; and
 - (ii) the holding exceeds 33.3 per cent of the voting equity; and
 - (iii) the block is larger than the combined percentage of the next two largest blocks;
- (b) the commercial enterprise declares that it is effectively controlled by a government;
- (c) there exists a method or variety of methods (e.g. significant voting ownership of the enterprise, technological agreements, supply controls or contracts, management contracts, interlocking directorships, etc.)

(3) Indirect Control

A business enterprise is indirectly controlled by a government if that government directly or effectively controls a government business enterprise, which in turn directly or effectively controls that enterprise.

THE BASE RATE

The base rate is the lowest paid classification used for qualified workers in the bargaining unit. In most instances, the base rate is the rate of pay for an unskilled or semi-skilled classification of workers. However, this is not the case in contracts covering only skilled workers and professional employees.

As only the base rate in a contract is used, the resulting data on percentage change do not necessarily reflect the average wage change for all workers in the

bargaining unit. For example, where an across-the-board increase is negotiated for all classifications in cents per hour (or other money terms), measurement on the base rate produces higher results than measurement on any higher rate, including the average rate. Where varying percentage or money increases are negotiated for different classifications, measurement on the base rate may produce results that are higher or lower than measurement on the average rate. Where an across-the-board increase is negotiated for all classifications in percentage terms, measurement on the base rate produces results identical to measurement on any other rate, including the average rate. It should be noted that information on the average rate for all employees in a bargaining unit is not available.

EFFECTIVE WAGE INCREASE

The effective wage increase is the increase in rates of pay including estimated cost-of-living allowance (COLA) payments. Estimates of the yield of COLA clauses are obtained by quantifying the characteristics of these clauses in each agreement and applying a combination of actual Consumer Price Index (CPI) increases available to date plus a specified projected inflation rate for the remainder of the contract duration. In succeeding quarters, these estimates are revised using actual CPI values as they become available.

In the current report, an inflation projection of two per cent has been used when the actual rate is unknown. This figure is based on a rounded average of inflation forecasts and is intended for illustrative purposes only and does not constitute an official forecast by Human Resources Development Canada. The use of different inflation rate scenarios could result in varying settlement increases. The inflation projection used will be revised periodically to reflect prevailing economic conditions.

By including reasonable estimates of future payments under COLA clauses, the effective wage increase concept facilitates an accurate comparison of agreements with and without COLA and permits the aggregation of all agreements to yield an improved measure of wage settlements.

SECTION 2

EXPIRIES AND REOPENERS* OF MAJOR COLLECTIVE AGREEMENTS IN JULY, AUGUST, AND SEPTEMBER 1998

* Collective agreement may be reopened to negotiate *¹wage provisions and/or *²other provisions.

Company and Location	Union and Occupation	Number of Employees	Industry
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JULY 1998

PRINCE EDWARD ISLAND

* ¹ Government of Prince Edward Island, province-wide	Cdn. Union of Public Empls. (CLC) (office, clerical, maintenance empls. & bus drivers)	625	Services
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QUEBEC

Coca-Cola Bottling Ltd., Lachine & Montreal	Intl. Brotherhood of Teamsters (AFL-CIO/CLC) (sales, plant, maintenance empls. & truck drivers)	500	Manufacturing
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* ¹ Hudon et Deaudelin Itée, Montreal North	United Food and Commercial Wkrs. Intl. Union (AFL-CIO/CLC) (wholesale, office & clerical empls.)	530	Trade
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Société des casinos du Québec inc., Montreal	Cdn. Union of Public Empls. (CLC) (full & part-time croupiers)	600	Services
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ONTARIO

A.G. Simpson Co. Limited, Oshawa & other centres	Natl. Automobile, Aerospace, Transportation and General Wkrs. Union of Canada (CLC) (plant & maintenance empls.)	2,200	Manufacturing
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Ottawa Taxi Owners and Brokers Association, Ottawa	United Steelworkers of America (AFL-CIO/CLC) (taxi operators)	840	Transportation
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Siemens Electric Limited, Automotive Systems (North American Motor Operations Division), London	Natl. Automobile, Aerospace, Transportation and General Wkrs. Union of Canada (CLC) (plant & maintenance empls.)	1,200	Manufacturing
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Public Admin. - Public Administration
Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
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ALBERTA

Northern Alberta Institute of Technology, Edmonton	Alta. Union of Provincial Empls. (NUPGE) (CLC) (administrative, technical, service & maintenance empls.)	570	Services
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AUGUST 1998

QUEBEC

Les Caisses populaires du Saguenay-Lac St-Jean, Saguenay & Lac-St-Jean Region	Fédération du commerce inc. (CNTU) (office & clerical empls.)	745	Trade
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ONTARIO

Avenor Inc., Dryden	Communications, Energy and Paperworkers Union of Canada (CLC), Intl. Union of Operating Engineers (AFL-CIO) & Office and Professional Empls. Intl. Union (AFL-CIO/CLC) (operating engineers, mill & office empls.)	800	Manufacturing
Babcock & Wilcox Industries Ltd., Cambridge	United Steelworkers of America (AFL-CIO/CLC) (plant & maintenance empls.)	685	Manufacturing
Board of Education for the City of Scarborough, Scarborough	Cdn. Union of Public Empls. (CLC) (operations & maintenance empls.)	1,000	Services
Brant; Dufferin-Peel; Durham; Haldimand-Norfolk; Halton; Hamilton-Wentworth; Lincoln; Metropolitan Toronto Separate; Muskoka; Peterborough; Victoria; Northumberland-Clarington; Simcoe; Waterloo; Welland; Wellington; York Region Roman Catholic Separate School Boards (No. 64 - Elementary & Secondary), Southern Ont.	Franco-Ontarian Teachers' Assn. (Ind.) (elementary & secondary teachers)	680	Services

Public Admin. - Public Administration
Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
ONTARIO (continued)			
Brant; Haldimand; Norfolk Boards of Education (No.23 - Elementary), Southern Ont.	Federation of Women Teachers' Assns. of Ont. (Ind.) & Ont. Public School Teachers' Federation (Ind.) (elementary teachers)	1,255	Services
Brant; Haldimand; Norfolk Boards of Education (No. 23 - Secondary), Southern Ont.	Ont. Secondary School Teachers' Federation (CLC) (secondary teachers)	875	Services
Brink's Canada Limited, province-wide	Intl. Brotherhood of Teamsters (AFL-CIO/CLC) (armoured car drivers & support empls.)	560	Services
Bruce & Grey Boards of Education (No. 7 - Elementary), Southern Ont.	Federation of Women Teachers' Assns. of Ont. (Ind.) & Ont. Public School Teachers' Federation (Ind.) (elementary teachers)	930	Services
Bruce & Grey Boards of Education (No. 7 - Secondary), Southern Ont.	Ont. Secondary School Teachers' Federation (CLC) (secondary teachers)	620	Services
Carleton & Ottawa Boards of Education (No. 25 - Elementary), Southern Ont.	Federation of Women Teachers' Assns. of Ont. (Ind.) & Ont. Public School Teachers' Federation (Ind.) (elementary teachers)	2,990	Services
Carleton & Ottawa Boards of Education (No. 25 - Secondary), Southern Ont.	Ont. Secondary School Teachers' Federation (CLC) (secondary teachers)	1,840	Services
Carleton & Ottawa Roman Catholic Separate School Boards (No. 53 - Elementary & Secondary), Southern Ont.	Ont. English Catholic Teachers' Assn. (CLC) (elementary & secondary teachers)	3,235	Services
Carleton University, Ottawa	Cdn. Union of Public Empls. (CLC) (teaching assistants)	1,000	Services
Central Algoma; Chapleau; Hornepayne; Michipicoten; North Shore; Sault Ste. Marie Boards of Education (No. 2 - Elementary), Northern Ont.	Federation of Women Teachers' Assns. of Ont. (Ind.) & Ont. Public School Teachers' Federation (Ind.) (elementary teachers)	635	Services

Public Admin. - Public Administration
Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
ONTARIO (continued)			
Chapleau; Michipicoten; North Shore; Sault Ste. Marie; Sudbury Roman Catholic Separate School Boards (No. 61 - Elementary & Secondary), Northern Ont.	Franco-Ontarian Teachers' Assn. (Ind.) (elementary & secondary teachers)	550	Services
Cochrane; Iroquois Falls/Black River; Matheson; Hearst; Kapuskasing; Kirkland Lake- Temiskaming; Timmins Roman Catholic Separate School Boards (No. 60A - Elementary & Secondary), Northern Ont.	Franco-Ontarian Teachers' Assn. (Ind.) (elementary & secondary teachers)	785	Services
Dufferin-Peel Roman Catholic Separate School Board, Mississauga & area	Ont. English Catholic Teachers' Assn. (CLC) (occasional teachers)	770	Services
Dufferin-Peel Roman Catholic Separate School Board (No. 43 - Elementary & Secondary), Southern Ont.	Ont. English Catholic Teachers' Assn. (CLC) (elementary & secondary teachers)	4,260	Services
Dufferin & Wellington Boards of Education (No. 18 - Elementary), Southern Ont.	Federation of Women Teachers' Assns. of Ont. (Ind.) & Ont. Public School Teachers' Federation (Ind.) (elementary teachers)	1,185	Services
Dufferin & Wellington Boards of Education (No. 18 - Secondary), Southern Ont.	Ont. Secondary School Teachers' Federation (CLC) (secondary teachers)	740	Services
Durham Board of Education excluding Clarington (No. 13 - Elementary), Southern Ont.	Federation of Women Teachers' Assns. of Ont. (Ind.) & Ont. Public School Teachers' Federation (Ind.) (elementary teachers)	2,190	Services
Durham Board of Education excluding Clarington (No. 13 - Secondary), Southern Ont.	Ont. Secondary School Teachers' Federation (CLC) (secondary teachers)	1,335	Services

Public Admin. - Public Administration
Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
ONTARIO (continued)			
Durham excluding Clarington Roman Catholic Separate School Board (No. 45 - Elementary & Secondary), Southern Ont.	Ont. English Catholic Teachers' Assn. (CLC) (elementary & secondary teachers)	1,310	Services
East Parry Sound; Nipissing; West Parry Sound Boards of Education (No. 4 - Elementary), Northern Ont.	Federation of Women Teachers' Assns. of Ont. (Ind.) & Ont. Public School Teachers' Federation (Ind.) (elementary teachers)	615	Services
East York; Etobicoke; North York; Scarborough; Toronto; York Boards of Education (No. 12 - Elementary), Southern Ont.	Federation of Women Teachers' Assns. of Ont. (Ind.) & Ont. Public School Teachers' Federation (Ind.) (elementary teachers)	10,520	Services
East York; Etobicoke; North York; Scarborough; Toronto; York Boards of Education (No. 12 - Secondary), Southern Ont.	Ont. Secondary School Teachers' Federation (CLC) (secondary teachers)	7,600	Services
Elgin; London; Middlesex; Oxford Boards of Education (No. 11 - Elementary), Southern Ont.	Federation of Women Teachers' Assns. of Ont. (Ind.) & Ont. Public School Teachers' Federation (Ind.) (elementary teachers)	3,190	Services
Elgin; London & Middlesex; Oxford Roman Catholic Separate School Boards (No. 38 - Elementary & Secondary), Southern Ont.	Ont. English Catholic Teachers' Assn. (CLC) (elementary & secondary teachers)	1,185	Services
Espanola; Manitoulin; Sudbury Boards of Education (No. 3 - Elementary), Northern Ont.	Federation of Women Teachers' Assns. of Ont. (Ind.) & Ont. Public School Teachers' Federation (Ind.) (elementary teachers)	645	Services
Espanola; Manitoulin; & Sudbury Boards of Education (No. 3 - Secondary), Northern Ont.	Ont. Secondary School Teachers' Federation (CLC) (secondary teachers)	505	Services

Public Admin. - Public Administration
Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
ONTARIO (continued)			
Essex & Windsor Boards of Education (No. 9 - Elementary), Southern Ont.	Federation of Women Teachers' Assns. of Ont. (Ind.) & Ont. Public School Teachers' Federation (Ind.) (elementary teachers)	1,335	Services
Essex & Windsor Boards of Education (No. 9 - Secondary), Southern Ont.	Ont. Secondary School Teachers' Federation (CLC) (secondary teachers)	840	Services
Essex & Windsor Roman Catholic Separate School Boards (No. 37 - Elementary & Secondary), Southern Ont.	Ont. English Catholic Teachers' Assn. (CLC) (elementary & secondary teachers)	1,520	Services
Frontenac; Lennox & Addington Boards of Education (No. 27 - Elementary), Southern Ont.	Federation of Women Teachers' Assns. of Ont. (Ind.) & Ont. Public School Teachers' Federation (Ind.) (elementary teachers)	855	Services
Frontenac; Lennox & Addington Boards of Education (No. 27 - Secondary), Southern Ont.	Ont. Secondary School Teachers' Federation (CLC) (secondary teachers)	640	Services
Frontenac-Lennox & Addington; Hastings-Prince Edward; Lanark; Leeds & Grenville; Ottawa-Carleton; Renfrew Roman Catholic Separate School Boards (No. 66 - Elementary & Secondary), Southern Ont.	Franco-Ontarian Teachers' Assn. (Ind.) (elementary & secondary teachers)	970	Services
Frontenac-Lennox & Addington; Hastings-Prince Edward Roman Catholic Separate School Boards (No. 55 - Elementary & Secondary), Southern Ont.	Ont. English Catholic Teachers' Assn. (CLC) (elementary & secondary teachers)	705	Services
Haliburton; Muskoka; Victoria Boards of Education (No. 15 - Elementary), Southern Ont.	Federation of Women Teachers' Assns. of Ont. (Ind.) & Ont. Public School Teachers' Federation (Ind.) (elementary teachers)	835	Services

Public Admin. - Public Administration
 Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
ONTARIO (continued)			
Haliburton; Muskoka; Victoria Boards of Education (No. 15 - Secondary), Southern Ont.	Ont. Secondary School Teachers' Federation (CLC) (secondary teachers)	570	Services
Halton Board of Education (No. 20 - Elementary), Southern Ont.	Federation of Women Teachers' Assns. of Ont. (Ind.) & Ont. Public School Teachers' Federation (Ind.) (elementary teachers)	1,570	Services
Halton Board of Education (No. 20 - Secondary), Southern Ont.	Ont. Secondary School Teachers' Federation (CLC) (secondary teachers)	1,035	Services
Halton Roman Catholic Separate School Board (No. 46 - Elementary & Secondary), Southern Ont.	Ont. English Catholic Teachers' Assn. (CLC) (elementary & secondary teachers)	1,075	Services
Hamilton & Wentworth Boards of Education (No. 21 - Elementary), Southern Ont.	Federation of Women Teachers' Assns. of Ont. (Ind.) & Ont. Public School Teachers' Federation (Ind.) (elementary teachers)	2,250	Services
Hamilton & Wentworth Boards of Education (No. 21 - Secondary), Southern Ont.	Ont. Secondary School Teachers' Federation (CLC) (secondary teachers)	1,320	Services
Hamilton-Wentworth Roman Catholic Separate School Board (No. 47 - Elementary & Secondary), Southern Ont.	Ont. English Catholic Teachers' Assn. (CLC) (elementary & secondary teachers)	1,460	Services
Hastings & Prince Edward Boards of Education (No. 29 - Elementary), Southern Ont.	Federation of Women Teachers' Assns. of Ont. (Ind.) & Ont. Public School Teachers' Federation (Ind.) (elementary teachers)	805	Services
Hastings & Prince Edward Boards of Education (No. 29 - Secondary), Southern Ont.	Ont. Secondary School Teachers' Federation (CLC) (secondary teachers)	510	Services
Huron & Perth Boards of Education (No. 8 - Elementary), Southern Ont.	Federation of Women Teachers' Assns. of Ont. (Ind.) & Ont. Public School Teachers' Federation (Ind.) (elementary teachers)	710	Services

Public Admin. - Public Administration

Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
ONTARIO (continued)			
Huron & Perth Boards of Education (No. 8 - Secondary), Southern Ont.	Ont. Secondary School Teachers' Federation (CLC) (secondary teachers)	520	Services
Kent & Lambton Boards of Education (No. 10 - Elementary), Southern Ont.	Federation of Women Teachers' Assns. of Ont. (Ind.) & Ont. Public School Teachers' Federation (Ind.) (elementary teachers)	1,160	Services
Kent & Lambton Boards of Education (No. 10 - Secondary), Southern Ont.	Ont. Secondary School Teachers' Federation (CLC) (secondary teachers)	830	Services
Kent & Lambton Roman Catholic Separate School Boards (No. 39 - Elementary & Secondary), Southern Ont.	Ont. English Catholic Teachers' Assn. (CLC) (elementary & secondary teachers)	720	Services
Lakehead Board of Education (No. 6A - Elementary), Northern Ont.	Federation of Women Teachers' Assns. of Ont. (Ind.) & Ont. Public School Teachers' Federation (Ind.) (elementary teachers)	520	Services
Lanark; Leeds & Grenville; Prescott & Russell; Stormont, Dundas & Glengarry Boards of Education (No. 26 - Elementary), Southern Ont.	Federation of Women Teachers' Assns. of Ont. (Ind.) & Ont. Public School Teachers' Federation (Ind.) (elementary teachers)	1,415	Services
Lanark; Leeds & Grenville; Prescott & Russell; Stormont, Dundas & Glengarry Boards of Education (No. 26 - Secondary), Southern Ont.	Ont. Secondary School Teachers' Federation (CLC) (secondary teachers)	880	Services
Lanark; Leeds & Grenville; Prescott & Russell; Stormont, Dundas & Glengarry Roman Catholic Separate School Boards (No. 52 - Elementary & Secondary), Southern Ont.	Ont. English Catholic Teachers' Assn. (CLC) (elementary & secondary teachers)	650	Services
Lincoln & Niagara South Boards of Education (No. 22 - Elementary), Southern Ont.	Federation of Women Teachers' Assns. of Ont. (Ind.) & Ont. Public School Teachers' Federation (Ind.) (elementary teachers)	1,650	Services

Public Admin. - Public Administration
Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
ONTARIO (continued)			
Lincoln & Niagara South Boards of Education (No. 22 - Secondary), Southern Ont.	Ont. Secondary School Teachers' Federation (CLC) (secondary teachers)	1,110	Services
Lincoln & Welland Roman Catholic Separate School Boards (No. 50 - Elementary & Secondary), Southern Ont.	Ont. English Catholic Teachers' Assn. (CLC) (elementary & secondary teachers)	1,285	Services
Metropolitan Separate School Board, Metropolitan Toronto	Cdn. Union of Public Empls. (CLC) (custodial & maintenance empls.)	850	Services
Metropolitan Separate School Board, Metropolitan Toronto	Cdn. Union of Public Empls. (CLC) (technical, office & clerical empls.)	570	Services
Metropolitan Toronto Roman Catholic Separate School Board, Metropolitan Toronto	Ont. English Catholic Teachers' Assn. (CLC) (occasional teachers)	750	Services
Metropolitan Toronto Roman Catholic Separate School Board (No. 40 - Elementary & Secondary), Southern Ont.	Ont. English Catholic Teachers' Assn. (CLC) (elementary & secondary teachers)	5,920	Services
Northumberland-Clarington; Peterborough Boards of Education (No. 14 - Elementary), Southern Ont.	Federation of Women Teachers' Assns. of Ont. (Ind.) & Ont. Public School Teachers' Federation (Ind.) (elementary teachers)	1,160	Services
Northumberland-Clarington; Peterborough Boards of Education (No. 14 - Secondary), Southern Ont.	Ont. Secondary School Teachers' Federation (CLC) (secondary teachers)	960	Services
North York Board of Education, North York	Cdn. Union of Public Empls. (CLC) (custodial empls.)	550	Services
North York Board of Education, North York	Cdn. Union of Public Empls. (CLC) (office, clerical, technical & support empls.)	1,000	Services

Public Admin. - Public Administration

Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
ONTARIO (continued)			
Peel Board of Education (No. 19 - Elementary), Southern Ont.	Federation of Women Teachers' Assns. of Ont. (Ind.) & Ont. Public School Teachers' Federation (Ind.) (elementary teachers)	3,905	Services
Peel Board of Education No. 19 - Secondary), Southern Ont.	Ont. Secondary School Teachers' Federation (CLC) (secondary teachers)	2,280	Services
Peterborough County Board of Education, Peterborough	Cdn. Union of Public Empls. (CLC) (service & maintenance empls.)	500	Services
Peterborough; Victoria; Northumberland-Clarington Roman Catholic Separate School Boards (No. 41 - Elementary & Secondary), Southern Ont.	Ont. English Catholic Teachers' Assn. (CLC) (elementary & secondary teachers)	650	Services
Prescott & Russell; Stormont, Dundas & Glengarry Roman Catholic Separate School Boards (No. 65 - Elementary & Secondary), Southern Ont.	Franco-Ontarian Teachers' Assn. (Ind.) (elementary & secondary teachers)	895	Services
Simcoe Board of Education (No. 17 - Elementary), Southern Ont.	Federation of Women Teachers' Assns. of Ont. (Ind.) & Ont. Public School Teachers' Federation (Ind.) (elementary teachers)	1,830	Services
Simcoe Board of Education (No. 17 - Secondary), Southern Ont.	Ont. Secondary School Teachers' Federation (CLC) (secondary teachers)	1,050	Services
Simcoe including Municipality of Muskoka Roman Catholic Separate School Boards (No. 44 - Elementary & Secondary), Southern Ont.	Ont. English Catholic Teachers' Assn. (CLC) (elementary & secondary teachers)	915	Services
Toronto City Board of Education, Toronto	Cdn. Union of Public Empls. (CLC) (educational services empls.)	3,250	Services

Public Admin. - Public Administration
Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
ONTARIO (continued)			
University of Guelph, Guelph	Cdn. Union of Public Empls. (CLC) (teaching assistants & service empls.)	640	Services
University of Ottawa, Ottawa and area	Part-time Professors of the University of Ottawa (Ind.) (part-time lecturers & instructors)	800	Services
Waterloo Board of Education (No. 24 - Elementary), Southern Ont.	Federation of Women Teachers' Assns. of Ont. (Ind.) & Ont. Public School Teachers' Federation (Ind.) (elementary teachers)	2,175	Services
Waterloo Board of Education (No. 24 - Secondary), Southern Ont.	Ont. Secondary School Teachers' Federation (CLC) (secondary teachers)	1,355	Services
Waterloo Roman Catholic Separate School Board (No. 49 - Elementary & Secondary), Southern Ontario	Ont. English Catholic Teachers' Assn. (CLC) (elementary & secondary teachers)	1,145	Services
York Region Board of Education (No. 16 - Elementary), Southern Ont.	Federation of Women Teachers' Assns. of Ont. (Ind.) & Ont. Public School Teachers' Federation (Ind.) (elementary teachers)	2,975	Services
York Region Board of Education (No. 16 - Secondary), Southern Ont.	Ont. Secondary School Teachers' Federation (CLC) (secondary teachers)	1,820	Services
York Region Roman Catholic Separate School Board (No. 42 - Elementary & Secondary), Southern Ont.	Ont. English Catholic Teachers' Assn. (CLC) (elementary & secondary teachers)	2,360	Services
York University, North York	Cdn. Union of Public Empls. (CLC) (full & part-time teaching assistants)	1,860	Services
ALBERTA			
Board of Trustees of Edmonton Roman Catholic Separate School District No. 7, Edmonton	Communications, Energy and Paperworkers Union of Canada (CLC) (office, clerical, technical empls. & teacher assistants)	530	Services

Public Admin. - Public Administration

Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
ALBERTA (continued)			
Board of Trustees of School District No. 7, Edmonton	Alta. Teachers' Assn. (Ind.) (elementary & secondary teachers)	4,200	Services
Board of Trustees of School District No. 7, Edmonton	Cdn. Union of Public Empls. (CLC) (custodians & custodian assistants)	600	Services
Board of Trustees of School District No. 7, Edmonton	Cdn. Union of Public Empls. (CLC) (office & clerical empls.)	1,200	Services
Board of Trustees of the Calgary Board of Education, Calgary	Alta. Teachers' Assn. (Ind.) (elementary & secondary teachers)	5,620	Services
Board of Trustees of the Rocky View School Division No. 41, Rocky View	Alta. Teachers' Assn. (Ind.) (elementary & secondary teachers)	640	Services
Calgary Roman Catholic Separate School District No. 1, Calgary	Alta. Teachers' Assn. (Ind.) (elementary & secondary teachers)	2,120	Services
Elk Island Public Schools Regional Division No. 14, Elk Island	Alta. Teachers' Assn. (Ind.) (elementary & secondary teachers)	850	Services
Red Deer Public School District No. 104, Red Deer	Alta. Teachers' Assn. (Ind.) (elementary & secondary teachers)	510	Services
BRITISH COLUMBIA			
Okanagan Federated Shippers Labour Relations Assn., Kelowna	United Food and Commercial Wkrs. Intl. Union (AFL-CIO/CLC) (plant & maintenance empls.)	1,000	Transportation
Board of School Trustees of School District No. 37, Delta	Cdn. Union of Public Empls. (CLC) (office, clerical & building maintenance empls.)	740	Services
Board of School Trustees of School District No. 57, Prince George	Cdn. Union of Public Empls. (CLC) (office, clerical & building maintenance empls.)	1,010	Services

Public Admin. - Public Administration
Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
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SEPTEMBER 1998

QUEBEC

Bombardier Inc. (Transportation Equipment Group), La Pocatière	Fédération de la métallurgie (CNTU) (production empls.)	895	Manufacturing
*1 Cartons St-Laurent inc., La Tuque	Communications, Energy and Paperworkers Union of Canada (CLC) (mill empls.)	550	Manufacturing
Tembec inc., Témiscamingue	Communications, Energy and Paperworkers Union of Canada (CLC) (mill empls.)	650	Manufacturing

ONTARIO

CAMI Automotive Inc., Ingersoll	Natl. Automobile, Aerospace, Transportation and General Wkrs. Union of Canada (CLC) (production & maintenance empls.)	2,300	Manufacturing
Standard Products (Canada) Limited, Stratford	Natl. Automobile, Aerospace, Transportation and General Wkrs. Union of Canada (CLC) (plant & maintenance empls.)	1,180	Manufacturing
Tele-Direct (Publications) Inc., Toronto, Ottawa & other centres	Canadian Telephone Empls.' Assn. (Ind.) (office & clerical empls.)	700	Services

MANITOBA

*1 Manitoba Public Insurance Corporation, province-wide	Man. Govt. Empls.' Union (CLC) (office, clerical & technical empls.)	1,070	Insurance
University of Manitoba, Winnipeg	Assn. of Empls. Supporting Education Services (Ind.) (support empls.)	1,690	Services
University of Manitoba, Winnipeg	Natl. Automobile, Aerospace, Transportation and General Wkrs. Union of Canada (CLC) (service & maintenance empls.)	500	Services

Public Admin. - Public Administration
Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
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BRITISH COLUMBIA

Government of Canada, B.C. Coast	Federal Government Dockyard, Trades & Labour Council (West): Intl. Brotherhood of Painters and Allied Trades (AFL-CIO), Intl. Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers (AFL-CIO), Intl. Assn. of Bridge, Structural and Ornamental Iron Wkrs. (AFL-CIO), United Brotherhood of Carpenters and Joiners of America (AFL-CIO/CLC), Intl. Brotherhood of Electrical Wkrs. (AFL-CIO/CLC), Intl. Union of Operating Engineers (AFL-CIO), Intl. Assn. of Machinists and Aerospace Wkrs. (AFL-CIO/CLC), Sheet Metal Wkrs. Intl. Assn. (AFL-CIO) & United Assn. of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the U.S. and Canada (AFL-CIO) (ship maintenance empls.)	860	Public Admin.
Highland Valley Copper, Logan Lake	United Steelworkers of America (AFL-CIO/CLC) (production, office, clerical & technical empls.)	1,020	Primary Ind.

MORE THAN ONE PROVINCE

Canadian Automatic Sprinkler Association, Canada-wide except QC, B.C. & Yukon	United Assn. of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the U.S. and Canada (AFL-CIO) (shop fabricators, welders, warehousemen, truck drivers, machine operators & assemblers)	900	Construction
Canadian Broadcasting Corporation, Canada-wide	The Newspaper Guild - TNG Canada (AFL-CIO/CLC) (production empls.)	3,470	Communication
Canada Post Corporation, Canada-wide	Public Service Alliance of Canada (CLC) (technical, administrative services & support empls.)	5,000	Communication

Public Admin. - Public Administration
Services - Community, Business and Personal Services

SELECTED PROVISIONS IN MAJOR COLLECTIVE AGREEMENTS*

Training and Education Leave Provisions 1988¹ and 1998

Angèle Charbonneau, Tom Fournier, Céline Laporte and Margo McCann
Information and Client Services Section
Workplace Information Directorate
Labour Program, Human Resources Development Canada

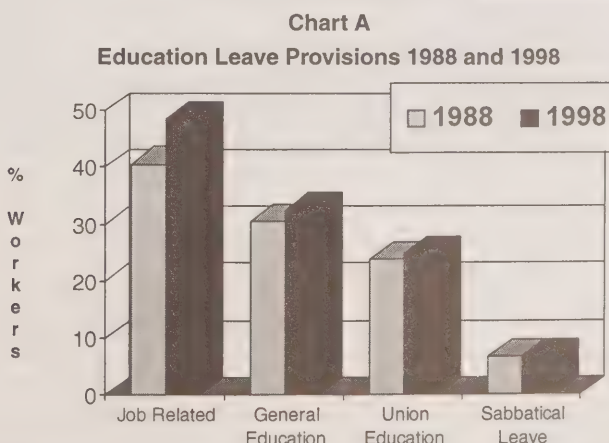
Introduction

This brief analysis examines training and education leave provisions in major collective agreements that were in effect in 1988 and 1998. Training provisions analysed relate to **On-the-Job** training, **Outside Courses** and **Apprenticeship** training while Education Leave provisions examined are associated with **Job Related**, **General Education**, **Union Education**, and **Sabbatical Leave**. Both of the provisions studied were looked at by major industry, by province and by private and public-sector.

With regard to training provisions overall, the number of workers benefiting from **On-the-Job** training and **Outside Courses** has not varied greatly from 1988 to 1998 (less than 2 per cent). The percentage of workers covered by these provisions in 1998 represents 44.2 per cent and 35.8 per cent

respectively. Almost all employees receiving courses relating to **On-the-Job** training are either paid or part-paid. The overall number of workers eligible for **Apprenticeship** training has decreased from 32.6 per cent in 1988 to 27.0 per cent of workers in 1998. The provision with the largest proportion of workers in All Industries, in both 1988 (45.4 per cent of workers) and 1998 (44.2 per cent of workers) is **On-the-Job** training.

There has been a marginal increase in the number of workers entitled to the various types of Educational Leave provisions over the last decade. In 1998, **Job Related Leave** provisions covered 48.6 per cent of workers; **General Education Leave**, 32.4 per cent of workers, **Union Education Leave**, 24.6 per cent of workers and **Sabbatical Leave**, only 6.6 per cent of workers. The largest increase in the proportion of workers has been for **Job Related Leave**, up from the 40.5 per cent of workers covered by this provision in 1988 (see Chart A).



* Major collective agreements are those covering 500 or more employees. At present, this sample comprises 1,025 agreements affecting 2,415,614 employees.

¹ January of 1988 and January of 1998

By Major Industry

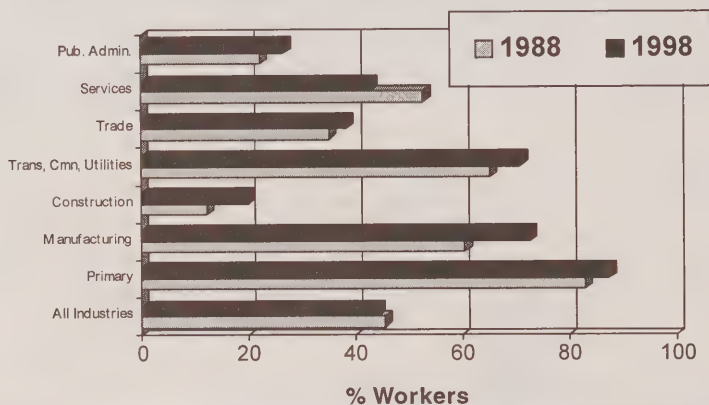
Training

On a **Major Industry** basis, the **Primary Industries** sector has had the highest representation of workers covered by provisions for *On-the-Job* and *Apprenticeship* training in both 1988 (82.9 per cent and 82.3 per cent of workers) and 1998 (87.2 per cent and 86.9 per cent of workers). A significant increase in the number of workers in this sector entitled to *Outside Courses* is also observed with 38.5 per cent of workers in 1988 and 49.8 per cent in 1998.

The **Manufacturing** Sector has shown the greatest increase of workers benefiting from training provisions over the past ten years. In 1988, 60.5 per cent of workers in this sector were covered by provisions for *On-the-Job* training, 30.5 per cent for *Outside Courses* and 64.6 per cent for *Apprenticeship* training. In 1998, 72.6 per cent of workers have access to *On-the-Job* training, 45.7 per cent to *Outside Courses* and

74.0 per cent may benefit from *Apprenticeship* training. The sector with the second highest increase in the percentage of workers having access to *Outside Courses* during this period is **Public Administration**; from 17.9 per cent in 1988 to 24.3 per cent of workers in 1998. The **Construction Industry** accounts for the second most significant increase in the number of workers with a provision for *On-the-Job* training (12.3 per cent in 1988 to 20.0 per cent of workers in 1998). *Apprenticeship* training for workers in the **Transportation, Communications and Other Utilities** sector has also increased significantly from 32.0 per cent of workers in 1988 to 44.2 per cent in 1998. Coverage for employees with *On-the-Job* training increased in all industries from 1988 to 1998 with the exception of the **Services** sector which decreased by 9.7 per cent. However because of the large proportion of workers in the Service sector (29.4 per cent of the total number of employees) in relation to other industries, the figure at the **All Industry** level showed a slight decrease in 1998 from 1988 (see Chart B).

Chart B
On the Job Training - By Industry 1988 and 1998



Education Leave

In both 1988 and 1998, **Public Administration** had the largest representation of workers covered by provisions for *Job Related Leave* (62.8 per cent of workers in 1988 and 75.0 per cent in 1998), *General Education Leave* (49.0 per cent of workers in 1988 and 60.7 per cent in 1998) and *Union Education Leave* (50.5 per cent of workers in 1988 and 51.2 per cent in 1998).

The **Transportation, Communications and other Utilities** sector has shown the largest increase in workers entitled to *Job Related Leave* over the past ten years, from 16.0 per cent of workers entitled to this provision in 1988 to 34.1 per cent in 1998. The proportion of workers in the **Manufacturing** sector benefiting from *Job Related Leave* provisions has also notably increased from 30.0 per cent in 1988 to 38.9 per cent of workers in 1998. The most significant increase in the provision for *General Education Leave*

has been in the **Primary Industries**, where 11.1 per cent of workers covered by this provision in 1988 increased to 23.4 per cent in 1998. The **Primary Industries** sector also had the most significant increase in employee coverage for *Union Education Leave* which went from 32.3 per cent of workers in 1988 to 45.7 per cent in 1998. There has been no variation in the proportion of workers entitled to a *Sabbatical Leave* provision since 1988 (6.6 per cent of workers).

By Province³

Training

In 1998 **Quebec** showed the highest percentage of workers covered by *On-The-Job* training and *Outside Courses* at 57.7 per cent and 55.2 per cent respectively. Coverage however has decreased since 1988 by 8.9 per cent for *On-The-Job* and by 4.3 per cent for *Outside Courses*. This province also showed the greatest decrease in *Apprenticeship* training between 1988 and 1998 of 15.4 per cent. The only province that showed an increase in *Apprenticeship* training in 1998 was **Nova Scotia** with an increase in the number of workers of 9.5 per cent.

Saskatchewan followed **Quebec** closely with regard to the highest coverage for *On-the-Job* training at 55.7 per cent (up slightly from the 1988 reference year by 3.8 per cent). This province also showed the highest increase in employee coverage between 1988 and 1998 (26.4 per cent) with regard to *Outside Courses*.

New Brunswick had the lowest representation of workers covered by *On-the-Job* training provisions at 19.1 per cent (a decrease of 1.7 per cent from 1988) while **Ontario** showed the greatest increase from

1988 to the 1998 for these same provisions at 15.4 per cent. The province showing the largest decrease in representation was **Alberta** at 16 per cent.

Education Leave

Quebec had the highest number of workers covered by *Job Related Leave*, at 67.4 per cent in 1998 (a 16.9 per cent increase from 1988), as well as the greatest increase in the percentage of workers benefiting from *Sabbatical Leave* between 1988 and 1998 at 2.6 per cent. **Quebec** was the only province that showed a decrease (-2.5 per cent) in the percentage of workers covered by *General Education Leave* during the same period. This province also showed the largest decrease of workers benefiting from *Union Education Leave* (-5.5 per cent).

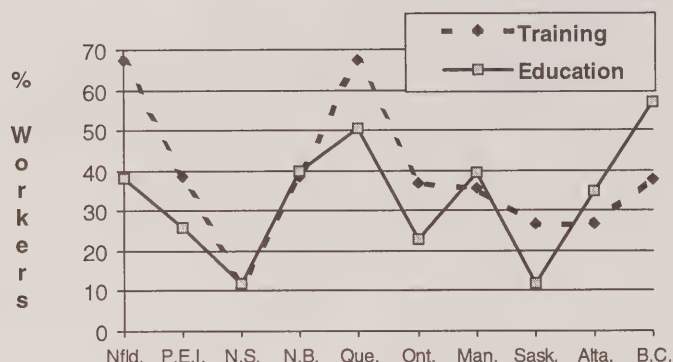
Newfoundland closely followed **Quebec** with regard to the number of workers covered by *Job Related Leave* in 1998 at 67.3 per cent. Between 1988 and 1998 however, Newfoundland showed the greatest increase in employee coverage for *Job Related Leave* as well as *General Education Leave* at 29 per cent and 35.1 per cent respectively.

Most provinces showed little change in the number of workers benefiting from *Union Education Leave* with the exception of **Prince Edward Island** which showed an increase of 14.7 per cent since 1988. This same province also had the highest percentage of workers with *Sabbatical Leave* provisions with 19.4 per cent of workers covered in 1998, down slightly from 1988.

New Brunswick, Manitoba, Alberta and **British Columbia** all showed a decrease between 1988 and 1998 in the number of workers covered by *Job Related Leave*, with **British Columbia** showing the largest decrease at -18.8 per cent.

³ Yukon and NWT excluded from this study due to insignificant numbers.

Chart C
Training and Education Leave Provisions By Province - 1998



By Private and Public Sectors

Training

In the **private sector** in Canada, there has been an increase in the number of workers benefiting from *On-The-Job* training and *Outside Courses* from 1988 to 1998. In fact, the number of workers has increased by 4.3 per cent in both cases (from 44.1 per cent to 48.4 per cent of workers and 19.0 per cent to 23.3 per cent of workers respectively). There has been a decrease in *Apprenticeship Training* in the **private sector** from 58.5 per cent of workers in 1988 to 52.5 per cent in 1998.

In the **public sector**, the number of workers covered by all three types of training provisions has decreased over the past decade. The number of workers receiving *On-the-Job* training has decreased from 46.1 per cent to 42.3 per cent; *Outside Courses* from 42.7 per cent to 42.2 per cent and *Apprenticeship Training* from 17.4 per cent to 14.3 per cent.

Education Leave

In the **Private Sector**, the number of workers entitled to *Education Leave* provisions has not fluctuated greatly from 1988 to 1998. An increase from

15.8 per cent to 16.8 per cent of workers entitled to *General Education Leave* and a decrease from 28.1 per cent to 21.7 per cent of workers entitled to *Union Education Leave* were the most significant observations between these two periods. The number of workers benefiting however from paid or part-paid *Union Education Leave* has increased from 10.9 per cent in 1988 to 15.8 per cent in 1998.

There has been a substantial increase in the number of workers entitled to *Job Related Leave*, *General Education Leave* and *Union Education Leave* in the **Public Sector** in the past ten years; notably *Job Related Leave*, which increased from 53.3 per cent of workers in 1988 to 63.9 per cent in 1998. It should be noted however, that the number of workers covered for unpaid *Job Related Leave* has also increased from 18.5 per cent to 29.2 per cent, while coverage for paid or part-paid leave decreased slightly from 33.4 per cent to 32.1 per cent during this same period. Coverage for *Sabbatical Leave* has decreased marginally for **Public Sector** employees over the last decade.

WORK STOPPAGES* - FIRST QUARTER 1998 AND CHRONOLOGICAL PERSPECTIVE

Summary

- Time not worked as a result of strikes and lockouts during the first quarter of 1998 amounted to 390,300 person-days lost. This total is somewhat lower than the 1988-1997 first quarter average of 590,448 person-days lost.
- A total of 18,054 workers were involved in labour disputes during the first quarter of 1998, the lowest figure recorded for this quarter over the past ten years, and significantly lower than the previous ten year first quarter average of 42,771.
- The 76 stoppages occurring during the current quarter also marks the lowest first quarter stoppage total registered over the past ten years, and is roughly half the 1988-1997 quarterly average of 146.
- The average of 21.6 person-days not worked per worker involved in disputes, is well above the previous ten year first quarter average of 10.4 days, indicating stoppages of somewhat longer duration during the first three months of 1998, as compared with previous first quarter averages.

Table A

Work Stoppages by Jurisdiction - 1998

Jurisdiction	Beginning in the First Quarter of 1998			Cumulative to March 31, 1998		
	Stoppages	Workers Involved	Person-Days Not Worked	Stoppages	Workers Involved	Person-Days Not Worked
Newfoundland	2	574	1,260	3	593	1,550
Prince Edward Island	-	-	-	-	-	-
Nova Scotia	1	722	3,610	1	722	3,610
New Brunswick	-	-	-	1	40	2,520
Quebec	19	2,848	38,830	36	1,959	67,760
Ontario	15	2,589	25,130	23	3,006	112,430
Manitoba	-	-	-	1	23	150
Saskatchewan	-	-	-	1	180	11,320
Alberta	3	3,088	14,710	3	2,496	14,710
British Columbia	1	6,500	19,500	4	8,905	172,120
More Than One Province	-	-	-	-	-	-
Total Provinces	41	16,321	103,040	73	17,924	386,170
Canada Labour Code - Part I	1	22	320	3	130	4,130
Federal Administration	-	-	-	-	-	-
Federal Total	1	22	320	3	130	4,130
Total	42	16,343	103,360	76	18,054	390,300

Source: Workplace Information Directorate

* Involving one or more employees.

- Two major work stoppages, each of which began in 1997 and continued into 1998, accounted for just over half the total person-days not worked during the first quarter of 1998.
- A strike by 2,400 **Fletcher Challenge** employees in British Columbia accounted for 152,550 person-days not worked through the first quarter of 1998, 39.1 per cent of the quarterly total. One of the main issues involved has been job flexibility.
- A work stoppage involving 795 workers at **Fearmans Fresh Meats** (Division of Maple Leaf Foods) in Burlington, Ontario, accounted for 46,120 person-days lost, 11.8 per cent of the 1998 first quarter total. A settlement was reached on March 25, 1998; the principal issue at stake was wages.

Table B

Work Stoppages by Industry - 1998

Industry	Beginning in the First Quarter of 1998			Cumulative to March 31, 1998		
	Stoppages	Workers Involved	Person-Days Not Worked	Stoppages	Workers Involved	Person-Days Not Worked
Primary Industries	1	122	610	3	336	14,120
Manufacturing	16	2,683	28,710	29	5,479	269,260
Construction	-	-	-	-	-	-
Transportation, Communications and Other Utilities	1	22	320	5	174	6,000
Trade and Finance	7	881	11,300	12	624	21,310
Community, Business and Personal Services	12	12,357	60,540	21	11,131	75,160
Public Administration	5	278	1,880	6	310	4,450
Various Industries	-	-	-	-	-	-
Total	42	16,343	103,360	76	18,054	390,300

Source: Workplace Information Directorate

Table C
Work Stoppages, a Chronological Perspective

Period	Number beginning year or month	in existence during year or month*			% of Estimated working time
		Total Number	Workers involved	Person-days not worked	
1988	483	548	206,796	4,901,260	0.17
1989	568	627	444,747	3,701,360	0.13
1990	519	579	270,471	5,079,190	0.17
1991	399	463	253,334	2,516,090	0.09
1992	353	404	149,940	2,110,180	0.07
1993	323	381	101,784	1,516,640	0.05
1994	312	374	80,856	1,606,580	0.06
1995	282	328	149,159	1,583,061	0.05
1996	295	328	281,724	3,345,220	0.11
1997	226	279	253,642	3,570,670	0.12
1997					
March	26	79	16,490	127,340	0.05
April	13	60	14,297	264,340	0.11
May	17	57	12,502	219,740	0.09
June	31	69	17,545	185,480	0.07
July	19	67	9,778	130,480	0.05
August	21	64	10,953	162,530	0.06
September	18	57	9,064	125,030	0.05
October	22	66	159,351	773,750	0.30
November	20	59	180,354	1,119,270	0.44
December	6	49	52,153	254,460	0.10
1998					
January	14	48	6,319	116,800	0.05
February	16	56	7,845	125,110	0.05
March	12	55	16,794	148,390	0.06

* Refers to work stoppages which began during the year or month as well as those carried over from the previous year or month.

Source: Workplace Information Directorate

SECTION 3

WORKPLACE INNOVATIONS

Céline Laporte

Workplace Information Directorate

Labour Program, Human Resources Development Canada

The following summary of innovative workplace practices is derived from 45 recent collective bargaining settlements of which 33 per cent (15 settlements) report having either initiated or implemented at least one innovative workplace practice.

Duration

Slightly more than half (51 per cent) of the 45 settlements have been renewed for a period of less than three years (between 12 and 26.5 months), of which 15 settlements (33 per cent) were renewed for a period of 24 months. Twenty-seven per cent of the total (12 settlements) are due to expire in exactly 36 months while 22 per cent of these renewal agreements (10 settlements) extend over a period of between 40 to 67.5 months.

Industrial Relations

Three of the 15 settlements reporting an innovative workplace practice were ratified in advance of their agreement's termination date, notably the settlement between Overwaitea Foods and Save-On Foods and the UFCW, Local 1518 which was reached approximately 7.5 months prior to the agreement's expiry date of March 31, 1998, and is also the agreement with the longest contract term (67.5 months) of the 45 recent settlements.

Labour-Management Committees

Seven (47 per cent) of the recent settlements reporting a workplace innovation make reference to the establishment of a labour-management committee. The issues which these joint committees will be focusing on include training and development, restructuring and reassignment of work, contracting-out, benefits, education, pay equity and employment equity.

Compensation and Working Conditions

Eight settlements report at least one innovative practice related to compensation and working conditions which accounts for 53 per cent of the 15 settlements. Of these, four agreements provide for wage adjustments including a cost-of-living-allowance.

Elsewhere, the settlements between Canadian National Railway and the Canadian Council of Railway Operating Unions and the International Brotherhood of Electrical Workers provide an example of a gain-sharing plan which will distribute among participating employees, 20 per cent of the productivity gains realized to a maximum of 4.0 per cent of the base wage. This agreement also provides for a stock option plan based on source deductions to a maximum of 6 per cent of the base wage. A gain-sharing plan consisting of an amount equal to 1.0 per cent of the straight-time annual payroll of the bargaining unit, including the cost of non-wage related benefits is also provided to employees of the Workers' Compensation Board of British Columbia and is to be remitted on an annual basis, for productivity improvements that fall within the scope of the plan.

An example of innovation in the area of hours of work includes a clause in the agreement between the University of Montreal and CUPE, Local 1244 whereby employees may participate in a three-hour voluntary work week reduction with a corresponding reduction in weekly pay, for a minimum term of six months to a maximum of 12 months. The agreement between General Electric Canada Inc. and the CAW-Canada, Locals 512 and 524 will provide for a women's advocate to discuss problems related to violence, abuse and harassment and refer employees to appropriate external agencies or resources when necessary. The agreement reached between the Government of Canada and the Social Science Employees Association contains new adoption/parental leave provisions as well as unpaid leave for the long-term care of a parent for a period of six weeks to two years.

Training and Development

Over and above the creation of joint committees mandated to review and discuss training and development issues, one agreement involving General Electric Canada Inc. contains a provision whereby the Employer will contribute \$25,000 per each year of the

agreement, for a total of \$75,000, to the CAW-Canada Paid Education Leave Fund and another with Fabricated Steel Products Inc. and the CAW-Canada, Local 195 provides certain employees with reimbursement of tuition, books and parking fees as well as payment for hours spent in the classroom.

The Workplace Information Directorate will continue to provide a synopsis of innovative workplace practices reported in recent settlements in future issues of the Workplace Gazette. For more in-depth analysis on workplace innovations, please consult the Workplace Innovations - 1996 Overview available in electronic format on diskette or via the Internet, or contact the Workplace Information Directorate directly at 1 800 567-6866 or (819) 997-3117.

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WORK REORGANIZATION AT THE ALCAN MILL IN SAINT-MAURICE DE SHAWINIGAN, QUEBEC FROM 1990 TO 1997

*Reynald Bourque, Lynn Hamel and Carole Julien
École de relations industrielles
Université de Montréal*

This case study examines an experiment in union-management cooperation in work reorganization at the Alliance Forest Products Inc. pulp and paper mill in Donnacona from 1990 to 1997. Our analysis covers the conditions that promoted union involvement in work reorganization, the main organizational changes introduced during this experiment, the problems encountered during the process, and the factors that contributed to continuing union participation in managing work organization. The references used in drafting this case study consisted of various union and management documents, the letters of agreement and collective agreements negotiated by the parties over the past decade, as well as the information gathered from interviews conducted in 1994 and 1995 with two management representatives and 12 union representatives, and an update interview conducted with two union representatives in December 1996 and January 1997.

1 — Characteristics of the Mill

The mill in Saint-Maurice de Shawinigan is owned by the Canadian multinational Alcan Aluminium, headquartered in Montreal, and belongs to the Alcan Cables division, headquartered in Atlanta in the United States. Alcan Aluminium has several plants in Quebec and the other provinces of Canada, as well as the United States. The Syndicat des travailleurs de l'Alcan de la Mauricie, which is affiliated with the Confederation of National Trade Unions (CNTU), represents all the unionized employees of the mill, that is, about a hundred production and maintenance (trades) employees. The average age of the unionized employees is about 50, and a large majority of these have 15 to 26 years of seniority.

Production at the Saint-Maurice de Shawinigan mill is divided into two sectors. In the cable sector, the main production activities are the drawing of aluminium wire, cabling (assembling wires), interlacing using a cable stranding machine, and extrusion, which consists of covering the cable with a plastic film. The production equipment in this sector is about 20 years old and is similar to that used in competing mills in Canada. The second production sector is shielding strip (AC), for which the main activities consist of converting the aluminium rod into

AC shielding with rolling mills, and then subjecting the semi-finished product to strip finishing operations. The main production equipment in this sector is about 40 years old, but has been modernized through the addition of new components in recent years.

Shipments from Alcan's Saint-Maurice mill exceeded CAN\$70 million in 1995. In the past five years, the mill has earned an operating profit, although the amount is down from the 1970s and 1980s. In 1994, most shipments from the mill were destined for the Canadian market, while about 70 percent of AC shielding output was exported to the United States. Since 1994, demand for the mill's products has declined in the domestic market, while the export market share has grown. The main competitors in the North American market in products manufactured at the Saint-Maurice mill are the Reynolds Aluminium Company of Canada, Alcatel and Alcan's other Canadian and American mills.

Employment levels at the Saint-Maurice mill have dropped sharply over the past 20 years, as a result of Alcan's decision to rationalize its operations by improving the competitiveness of each of its mills. In 1977, the Alcan wire and cable mill in Saint-Maurice

had about 300 unionized employees. From 1977 to 1980, this number was cut by half, as bare cable production was transferred to the Saint-Augustin mill and cable accessories were moved to Granby. From 1980 to 1983, the recession that hit the entire aluminium industry triggered layoffs at the Saint-Maurice mill, which moved into new facilities in 1986. At the time of that move, the mill had 104 unionized employees. At the start of 1990, the welding rod department in the Saint-Maurice mill was closed, eliminating 42 unionized positions. In March 1991, the mill had only 60 unionized workers, 48 in production and 12 in trades. In the fall of 1993, Alcan closed its Saint-Augustin facility to concentrate wire and cable production at the Saint-Maurice mill. This resulted in the transfer of about 35 employees to Saint-Maurice. From November 1993 to April 1996, the number of unionized employees at the Saint-Maurice mill rose from 105 to 117.

2 — Background to the Emergence of Organizational Change

Union-management relations were characterized by a low level of conflict during the 1980s and 1990s. The number of grievances filed each year over the past decade has been quite low, except in 1993, when about 10 were filed after employees were transferred from Saint-Augustin. All grievances filed during this period were settled without recourse to arbitration. The management and union representatives interviewed in 1994 and 1995 indicated that in recent years, the parties had shown a sound ability to solve problems involving application of the collective agreement between themselves.

The history of collective bargaining over the past two decades also suggests the existence of a healthy climate of union-management relations in this mill. In 1981, the employer asked the union to reopen the wage clauses of the collective agreement and to negotiate before the end of the collective agreement expiring in 1982. This request was made during a Quebec-wide recession that led many private-sector companies, as well as the provincial government, to seek wage cuts as a means of reducing their labour costs. The union membership agreed to reopen the collective agreement and ratified an agreement extending it until 1984, which illustrates the union's willingness to take into account the economic problems faced by the company.

The 1984 and 1987 collective bargaining rounds were completed without resorting to conciliation and without a labour dispute. In 1984, the union members rejected management's offer by 58.7 per cent initially, but after management refused to change its offer, a second vote was held and a majority of 58 per cent of the members present at the union meeting accepted this same offer. In 1987, the members also rejected management's offer by 96.2 per cent, and 80 per cent approved pressure tactics up to and including strike action. After various pressure tactics were used, particularly refusal to work overtime, an agreement in principle was reached and ratified by a 73.2 per cent majority at the union meeting.

3 — Strategic Choices

Over the past two decades, Alcan's strategic decisions affecting the Saint-Maurice de Shawinigan mill were designed to improve its competitiveness, technology and human resources management. The number of employees has shrunk to one-third of what it was 20 years ago, as activities have been transferred to other mills. The last major staff cut occurred in 1990 when the welding rod mill was shut down, a decision that impressed upon mill managers and employees the need to make operations at the Saint-Maurice mill profitable. As we have already noted, in 1981, management sought and obtained from the union a reopening of the collective agreement, when the industry was coping with very hard times. When the mill moved to a new location in 1985-1986, technological changes were introduced and some jobs in the mill were altered. All these changes were carried out at the employer's initiative, and were accepted, sometimes reluctantly, by the union.

The work reorganization initiative introduced in 1990 marked a turning point in the employer's approach to managing organizational change at the Saint-Maurice mill, as management at the mill agreed to union participation in managing these changes. The main objectives of this approach were to introduce a continuous quality improvement program and to change work methods. Management agreed in writing not to eliminate any jobs in order to cut operating costs as part of this work reorganization. It should also be noted that in recent years, the mill has adapted to changing customer profiles, as growing exports have offset declining domestic demand for its products. Since the early 1990s, the mill has conducted several experiments to improve its quality and products to meet customer demands.

4 — Joint Management of Organizational Change

The work reorganization process has gone through four stages since it was introduced in 1990. After the initial stage of joint analysis of the projected organizational changes, the parties proceeded to implement joint management of the organizational changes, but the employer's decision to transfer employees from another mill in the group slated for closure derailed union-management cooperation and ultimately stalled the joint management process.

The joint move toward change

The work reorganization process began in 1990 and was initiated by management. In March 1990, the mill's manager called a meeting of all unionized employees and managers during working hours, to discuss the consequences for the mill's future of the recent closure of the welding rod department. The union president and another member of the union executive were then invited to attend a three-day meeting with managers from the mill, led by a consulting firm specializing in work reorganization. At this meeting, the union representatives found that the union was not even included in management's work reorganization plan, although management was seeking active employee involvement in the process of organizational change. The union reacted by drawing up its own work reorganization proposal with the assistance of the labour consultant from the Fédération de la Métallurgie (CNTU), consultants from the CNTU research department and members of the union. The final proposal containing 17 union demands on work reorganization was unanimously ratified by a general meeting of the membership on 13 August 1990.

After this proposal was submitted to the mill's management, the union and management started negotiations on work reorganization, which continued until January 1991. These negotiations resulted in a written but unsigned agreement on the methods for implementing work reorganization, and in the creation of a union-management steering committee to coordinate the implementation of organizational change. The parties also reached a verbal agreement in October 1990 on the regular submission to union representatives of financial information on mill operations and on the confidentiality of this information, and on introduction of a program of continuous quality improvement.

Implementing the changes

Implementation of changes began in August 1990, when the steering committee held its first meeting. At that meeting, the committee members agreed on the terms of reference and frequency of meetings, as well as the principle of decision by consensus within the committee. However, the union was not present at that meeting, as it was demanding the addition of a second union representative to the committee. The steering committee subsequently met four times with two union representatives present. These four meetings discussed the reports of the coordinators of the three quality improvement teams on the progress and planning of work reorganization projects, and on the achievements of the continuous quality improvement teams.

Between February and September 1991, the continuous quality improvement process was interrupted during negotiations to renew the collective agreement. After the steering committee resumed work in October 1991, seven meetings were held and five quality improvement teams were set up between November 1991 and October 1992. Most of the changes made to the organization of work at the Saint-Maurice mill since the start of the initiative were introduced during this period.

Deraiment of union-management cooperation on managing organizational change

In October 1992, the process of jointly managing work organization was once again interrupted after the announcement that the production activities and some of the employees of the Saint-Augustin mill would be transferred to the Saint-Maurice mill. Union representatives attributed this interruption to a loss of employee confidence in management, which had decided on this transfer without first consulting the union. The union was also faced with the need to prepare for negotiations on transfer of the employees from Saint-Augustin and on renewing the collective agreement that expired in 1993. The negotiations on the seniority rights of the employees transferred and on renewal of the collective agreement generated considerable tension between the employees of the two mills, who were represented by two CNTU-affiliate unions. An agreement was ratified by 80 percent of the membership of both unions in September 1993.

Despite this agreement, the problems caused by transfer of the workers and managers from Saint-Augustin extended the interruption in the joint management of work organization until April 1994. In the fall of 1993, the introduction of continuous quality improvement teams in the bare cable department, which included most of the former employees of the Saint-Augustin mill, created tensions within the union, because it violated the collective agreement and the 1991 agreement on work reorganization. The employer's contravention of the collective agreement when filling the new positions in this department upset the union members, who approved a list of conditions at a meeting held in January 1994 for continuing the joint work reorganization process: the addition of a third union officer to the steering committee, sharing of productivity gains associated with employee involvement in work reorganization, and employer compliance with the collective agreement in the areas of work-force movements, seniority and work schedules.

During this transition period, a worker relations committee, consisting of the seven management representatives on the steering committee and the five members of the union executive, was set up to handle labour relations problems and the many grievances that followed the transfer of employees from Saint-Augustin. This committee held about 10 meetings between October 1993 and March 1994 to settle the labour relations problems related to integrating the employees from Saint-Augustin, laxity in applying the collective agreement, work reorganization, and relations between supervisors and workers.

Attempt to relaunch joint management of work organization, and the stalling of this process

In March 1994, the mill's management confirmed to the union in writing its commitment to abide by the 1991 agreement on union participation in managing work organization, and verbally accepted the union's conditions for resuming the work of the steering committee, making it possible to restart the continuous quality improvement program. These agreements were reached through numerous meetings of the worker relations committee and meetings of union and management representatives with a consultant assigned to the work reorganization issue. Meetings of the steering committee resumed in April 1994 and the parties agreed at the end of 1994 to terminate the

contract with the consultant and to set up a work force adjustment committee (WFAC) to oversee the work reorganization initiative.

Despite the efforts devoted to relaunch the joint work reorganization process, the unionized employees' trust in management was not restored and most refrained from taking part in the activities of the continuous quality improvement teams. In June 1995, at its general assembly, the union decided to withdraw its representatives from the joint steering committee due to internal tensions caused by the introduction of organizational changes. According to the union representatives interviewed in 1995, the employees felt their efforts had gone unrecognized, because despite the verbal agreement by management to institute a program to share productivity gains, the employees still had not received monetary recognition for improvements in work methods and productivity. Tension increased after management tabled a request during the 1996 negotiations to introduce a continuous, seven-day operation schedule in the mill. The union did not take a position of outright rejection of this request, but union representatives did challenge the need for this schedule in interviews conducted in January 1997. They pointed out that the collective agreement stipulates terms and conditions for weekend work and that demand for the mill's products was not sufficient to justify a seven-day work week.

Without an agreement on changes to work schedules during collective bargaining in 1996, the unionized employees in the Saint-Maurice mill were excluded from Alcan's incentives program, while employees in other mills who did agree to these changes in work organization benefitted from this program. This stand by management was criticized by the union representatives, who stressed that management of the Saint-Maurice mill had received a bonus for the work organization changes implemented as part of joint management of the continuous quality improvement program. This misunderstanding still had not been resolved at the time of our last interview with the union representatives, in January 1997.

5 — Organizational Innovations

According to management and union representatives, several jobs had been altered since introduction of work reorganization in 1990, but the workload had not increased significantly as a result of these organizational changes. Various types of changes in the organization of work had been introduced since

1990, such as implementation of a continuous quality improvement program, delaying of the organizational structure, just-in-time production methods, and formation of work teams. Other organizational changes were noted in interviews conducted in 1994 and 1995, but the union and management representatives disagreed on the extent of these changes. Most of the changes were introduced before the process derailed in 1993, and other changes were introduced during the attempt to relaunch joint management of work organization in 1994. The continuous quality improvement program introduced in 1991 is still in force, but union representatives report that employee participation is poor.

The number of production managers was cut between 1991 and 1993, after foreman positions were eliminated on shifts and their responsibilities were transferred to supervisors or lead hands. Although the employer created lead-hand positions, appointments, the bonus and other entitlements associated with this job were not defined in the collective agreement and fall within management's exclusive decision-making rights. However, the number of foremen increased again in 1993, after managers and employees were transferred from the Saint-Augustin mill.

The "just-in-time" management system was introduced in production departments before the initiative derailed, and has since continued to apply. This system has had positive effects on the organization of production, and delays in orders have declined considerably since its introduction, according to union representatives. The formation of work teams launched in 1992 remained in the very early stages until 1996, and primarily involved the AC shielding department. Since November 1996, work teams have been introduced in other production departments after consultations with the union. Implementation began in sectors with less cooperation among workers and was placed under the responsibility of an ad hoc committee in each sector. These committees, composed of workers and the union vice-president from the sector, are responsible for implementing the decisions made by the union-management worker relations committee, which coordinates the implementation of work teams.

The introduction of work teams was accompanied by an amalgamation of duties, and the number of positions was cut in some departments, while ensuring that staff movements were held to a minimum. The

parties made provision for establishment of a joint committee to monitor the progress and development of work teams and provide them with support where necessary. In the bare cable and covered cable departments, three representatives elected by their team (one per shift) meet once a week to discuss problems submitted to them and make recommendations to the standing committee, as required. This structure has not been extended across the mill, because it is an initiative of the employees in these departments. Management and the union are also working on a preventive maintenance project that would give production workers responsibility for maintaining some equipment components. This project has not yet been implemented because employees in the maintenance (trades) department and some production workers have voiced reservations.

The parties' representatives disagree, however, on the progress made in implementing the following measures: simplification of duties; pooling of trades; and expansion and enrichment of duties. The union believes that duties in production have been simplified, as work methods and written procedures have been standardized, which makes them easier to learn through a buddy system because all employees perform duties in the same way. The employer's representatives believe that trades have been pooled and further amalgamations of duties are forthcoming, a view not shared by the union representatives. In the last interview with the union president, in January 1997, he confirmed that there still had been no pooling or decompartmentalization of trades, because employees in this group were very reluctant to accept these changes. In the late 1970s, a program of trades flexibility allowing volunteer employees to learn the skills to perform other trades was set up in this department. Protective clauses were negotiated by the parties to protect workers not participating in this program, and these are still contained in the collective agreement.

The union representatives also believe that duties have been expanded and enriched, and they point to positions that have been assigned additional duties (extruder, replacement operator) or have been enriched (laminator, handler). The union representatives claim that these changes were made before 1994, but they were not mentioned in the interviews with management representatives. Moreover, the management representatives interviewed in 1994 said they wanted to introduce job rotation in the production departments at the

Saint-Maurice mill, a practice used in the Saint-Augustin mill since the 1980s. However, the information gathered from union representatives in January 1997 indicates that no steps have been taken to introduce this measure.

6 — Results

Financial results

According to the 1997 interviews with union representatives, financial information on the mill was not released to the union after its withdrawal from the steering committee in 1995. The union representatives also believe that they respected the confidentiality of the information obtained when participating in the steering committee's activities from 1991 to 1995. However, the union representatives claim that the informal information communicated by managers confirms that profit margins have risen since the transfer of operations and employees of the Saint-Augustin mill to Saint-Maurice.

Production efficiency

The volume of shipments from Alcan's Saint-Maurice mill increased after work reorganization. The output of AC shielding doubled between 1991 and 1997, and management forecasts further growth due to strong demand for this product. Union representatives indicate that improved productivity in this department is explained by the addition of employees from Saint-Augustin, equipment upgrades and active employee participation. Throughout the mill, production quality has improved and the range of products has expanded, according to management and union representatives. The Saint-Maurice mill is conducting many experiments to achieve higher quality levels and develop new products. The positive economic results are evident primarily in the AC shielding sector, which has a productivity assessment tool supported by computerized production organization and planning, as well as an index to measure shielding quality through product emulsion.

The continuous quality improvement program has had positive effects on quality and the introduction of new equipment. However, maintenance quality has not changed to date, according to union representatives, and management plans to introduce a program in 1997 that will call for operator involvement in preventive maintenance on productive equipment.

Organizational results

No major change has been observed by representatives of the two parties in sanctions, absenteeism and staff turnover. Conflict management changed drastically under the joint management of work organization that began in 1990. From 1991 to 1993, disputes involving application of the collective agreement were all resolved amicably, and the number of grievances declined steadily. However, the transfer of employees and managers from Saint-Augustin generated many grievances and contributed to a return to the conflict management methods prevailing before the joint management experiment. The management and union representatives have all found that since 1994, the union and its members have been ensuring stricter application of the collective agreement, especially in the area of staff movements.

Collective bargaining

The collective bargaining process has undergone major changes since introduction of work reorganization in 1990. The bargaining round for renewal of the collective agreement that began in late 1990 differed from previous rounds in several respects. This was the first round of bargaining by the parties since the start of union involvement in the continuous quality improvement process. In addition, closure of the welding rod department early in 1990 eliminated about 40 jobs and alerted employees that they had no guarantees the entire mill would not be shut down. Finally, the La Mauricie region was especially hard hit in the early 1990s by the recession, and the region's unemployment rate reached record levels. These various factors influenced negotiations on renewing the collective agreement that started in early 1991. An agreement was reached in August 1991 without a labour conflict or third-party intervention, and was ratified by a 65 percent majority at the union meeting.

Two factors had a major impact on the next round of bargaining in 1993. First, the transfer of employees from Saint-Augustin to the Saint-Maurice mill required negotiations between the two unions on the terms and conditions for integrating the transferred workers. These intra-organizational negotiations created tension between the two unions, and distrust of the employer. The negotiations focused on seniority rights of the transferred employees and renewal of the collective agreement. During these negotiations, which lasted five months, there was no conflict or third-party intervention. The membership rejected the company's offer by 98.2 per cent in the first vote on

integration procedures and seniority rights for workers from Saint-Augustin. After new negotiations, an agreement in principle to renew the collective agreement, that included terms for the transfer of employees from Saint-Augustin, was ratified by 82.4 per cent of the members who voted. In addition to recognizing the seniority rights of the transferred employees, the six-year agreement provides for renegotiation of wages in the third year of the collective agreement and recourse to arbitration of final offers in the event of disagreement. As in 1991, the joint continuous quality improvement process was interrupted for the duration of the collective bargaining.

When the collective agreement was reopened in 1996, the parties held what they termed “exploratory” negotiations in which management tabled a proposal for a seven-day work week. The union representatives rejected this request and chose to remain within the formal framework for reopening the collective agreement, which limited bargaining to the wage clauses and contained an arbitration procedure for final offers, in the event of disagreement. Although this exploratory initiative did not broaden the scope of the negotiations beyond wage issues, the parties did reach an agreement on wages for 1996 to 1999 without resorting to pressure tactics or arbitration. This agreement was ratified by a majority of almost 85 per cent at the union meeting.

Individual results

In 1994, most of the union representatives interviewed believed that no major changes had been made to employee qualifications requirements and workloads since the start of work reorganization. In 1997, the union president stated that there were still no new requirements regarding qualifications applicable to current employees, but that hiring criteria had been changed in two respects since 1995: management was seeking to recruit more versatile candidates for the maintenance department and was promoting the hiring of employees interested in teamwork in the production sectors. Management was also using consultants to administer psychometric tests to applicants.

The extent of employee involvement has changed with time. When changes were being proposed and introduced between 1990 and 1993, employee involvement on an individual level increased. Management estimated that about half the employees participated in continuous quality improvement teams

between 1990 and 1993. Individuals also became more involved in terms of decisions affecting work organization and performance, empowerment in the workplace, consultation by superiors and cooperation among employees. The level of employee involvement declined after management announced the transfer of workers from Saint-Augustin in the fall of 1992, and plummeted after the transfer took effect in the fall of 1993. Employees subsequently displayed great reticence to become involved in work organization, first, because they were not being rewarded for their efforts to improve productivity, and second, because they felt there was no follow-up on working groups.

The parties’ representatives also found that annual hours of training provided to employees at the mill had increased as a result of work reorganization. Various types of training had been provided since 1990 to improve product quality and productivity. First, all employees on a continuous quality improvement team received training on problem solving. In addition, a buddy system was introduced to have experienced operators train workers in new duties. To standardize work methods, courses were given to workers on the AC shielding laminator by resource people who had taken outside training. However, our union respondents voiced a desire for the union to be more involved in developing training sessions. A joint committee existed for this purpose, but they claimed that the employer only consulted the union on the content of the training.

Work reorganization had an impact on other aspects of the working conditions of unionized employees. Before the initiative derailed in 1993, management wanted to amalgamate classifications, but this proposal was rejected by the union. However, operator classifications in some departments were amalgamated during the negotiations on integrating the employees from Saint-Augustin in 1993. Since 1991, wage increases are no longer granted strictly in percentage terms, but are provided in part as lump-sum payments not incorporated into the wage scale, and in part as a percentage increase in wage scales. Moreover, a program to share productivity gains has been under discussion by the parties since 1996, but still had not been introduced at the time of our interview with the union president in January 1997. The recent introduction of work teams has led to changes in working conditions in the departments involved, and negotiations to introduce a seven-day work week could lead to major changes in working conditions if an agreement is reached.

Work reorganization did not substantially change the role of foremen, but the number of foremen was cut between 1991 and 1993. Relations remain strained between workers at the Saint-Maurice mill and the foremen transferred from Saint-Augustin in 1993. Most union respondents also believe that relations between employees of the same department have deteriorated for two main reasons. The first involves the role of group leaders, who are too concerned with output and not enough with their employees, according to the union representatives. The second arises from the standardization of work methods, which forces employees to alter their traditional practices. The interviews conducted in 1997 reveal that the repercussions of transferring employees from Saint-Augustin are still being felt, and that employees remain divided by their mill of origin. The interviews conducted with union representatives in 1997, however, do reveal that progress has been made in integrating these workers since they arrived in 1993.

The union representatives interviewed in 1997 find that employees are both satisfied and dissatisfied with the changes made in work organization since the early 1990s. They are satisfied because the organizational changes have increased their independence and improved their quality of life in the workplace. On the other hand, they are dissatisfied with the conditions governing the transfer of employees from Saint-Augustin and complain that they were excluded from Alcan's incentives program, while the mill's management received a bonus for the organizational changes in which they took part. The union representatives also voiced some reservations about the changes to work schedules requested by the mill's management.

7 — Factors Affecting Results

Prerequisites

Before entering into the joint work reorganization process in 1990, the parties had acquired some isolated experience in union-management cooperation. In 1981, during a recession that hit the industry hard, the employer had asked the union to reopen the collective agreement before its expiry, and the parties had reached an agreement extending the collective agreement to 1984. In 1985, when the mill moved to new facilities, the employer wanted to amalgamate the duties of two types of operators in order to facilitate the introduction of technological changes, but the union's general assembly rejected

this management request. A joint committee was formed to discuss the impact of technological change on the duties of these operators, and on other aspects that would change the organization of work. The work of this committee led to an agreement in 1986 that modified certain positions, resulting in the layoff of eight employees and the creation of a reclassification committee. These isolated experiences of union-management cooperation in the 1980s confirm the existence of union-management relations compatible with active union involvement in managing work organization.

Timing

The improved relations between the parties and the start of the joint of work organization process in 1990 came at a time conducive to this type of change. The closing of the welding rod department in early 1990, which eliminated about 40 unionized jobs, was the catalyst for the joint work reorganization initiative. Production equipment in this department was fairly modern compared with that in the coated cable and AC shielding sectors, and this created more insecurity among managers and employees over the future of the mill. The sharp drop in union membership and the arrival of a new mill manager with a mission to improve the profitability of the mill's operations led the parties to alter their approach to managing production and work methods. The work reorganization introduced in 1990 did not result from technological changes, but rather from a new awareness among managers and employees that the mill was not protected from closure as part of Alcan's drive to rationalize its operations worldwide. It therefore can be argued that management's decision to launch its work reorganization project came during an organizational crisis affecting managers as well as employees at the Saint-Maurice mill.

Design and implementation of organizational changes

At the start of the organizational change initiative, the employer proposed the types of change it wished to introduce, namely, the continuous quality improvement program and decompartmentalization of trades. It commissioned a consultant to draft a work reorganization proposal designed to achieve these results. It then invited union representatives to the presentation of the consultant's report, to obtain union support for its work reorganization project. Despite its exclusion from the initial phase of the project, the union still decided to become involved in the work

reorganization process, by proposing negotiations with the employer accompanied by conditions designed to protect existing jobs. We therefore must stress that the employer's initial proposal did not call for joint management of work organization, but instead sought to secure union support for management's proposed organizational changes. The union negotiated the terms for implementing these changes, which promoted employee involvement on continuous quality improvement teams and work teams. But throughout this process, management kept the lead role, which partly explains why the union challenged and suspended the process many times. The ambiguity surrounding management's views of the union's role in work reorganization, which was maintained throughout this experiment, ultimately forced to the union to withdraw under internal pressures created by management decisions that were not well received by a significant proportion of employees. Since 1994, the work reorganization initiative has continued in a more traditional framework that leaves considerable room for consulting with and informing union representatives, but nevertheless marks a decline in union-management cooperation in this mill.

Conclusion

This experiment in joint management of work organization at the Saint-Maurice de Shawinigan mill is instructive in several regards, especially on the problems of sustaining union-management cooperation in a context of organizational change. To begin with, our analysis of this experiment highlights the importance of pressures arising from the mill's economic situation as key factors in management's decision to introduce organizational change. Our analysis also reveals that the isolated experiences in union-management cooperation and the existence of a healthy labour relations climate during the 1980s facilitated the employer's acceptance of union participation in managing work organization. The main organizational changes made during this experiment were introduced between 1990 and 1993, which corresponds to the period of active union-

management cooperation in this mill. However, the ambiguity of management's position on the union's role in decision-making for work reorganization created a climate of distrust among employees and contributed to a decline in union and employee participation, as management decisions were perceived by union members as a distortion of the basic principles of union-management cooperation. The mutual trust that is indispensable to maintaining union-management cooperation was sorely tested by certain management decisions made without consulting or informing union representatives, especially when it announced the transfer of production and employees from the Saint-Augustin mill in 1992. The internal tension arising from the terms and conditions of this transfer ultimately forced the union to withdraw from the joint work organization process. Attempts to relaunch the process, following the 1993 agreement on conditions governing the transfer of employees from Saint-Augustin and renewal of the collective agreement, were unsuccessful and the parties subsequently returned to a more traditional approach to labour relations.

Since 1996, the parties have been involved in new negotiations on work organization, primarily concerning work schedules and decompartmentalization of trades, and they have reached an agreement on introducing new continuous quality improvement teams. However, if we assess the results of the experiment since the early 1990s, we find that union-management cooperation has lost ground in recent years, although it is still evident in a lesser degree in isolated work organization projects. This case study shows that the prior existence of a healthy labour relations climate fosters union-management cooperation in managing work organization, but that these experiments can only continue if the parties are able to manage the tensions inherent in the process of organizational change. We may therefore conclude from this case study that organizational change encompasses issues that may compromise union-management cooperation if the parties are faced with conflicts of interest that exact too heavy a toll on the reserve of mutual trust needed to maintain this cooperation.

VALUING DIVERSITY: BANK OF MONTREAL'S ABORIGINAL EMPLOYMENT INITIATIVE

Miranda Heerah
Queen's University

This article is a condensed version of the author's research essay titled Valuing Diversity: An Aboriginal Perspective, completed for the degree of Master of Industrial Relations (MIR), Queen's University. The essay was supervised by Professor Pradeep Kumar.

Bank of Montreal (BOM) is ranked one of the ten largest banks in North America, with a strong presence in the international banking community. The BOM group of companies includes Bank of Montreal, Canada's first Bank, Nesbitt Burns; and Chicago based Harris Bank which serves the mid-western United States. The Bank's equity position in Grupo Financiero Bancomer, the leading Mexican retail financial institution, makes Bank of Montreal the first bank to provide customers with a full range of financial services in all three NAFTA countries (Bank of Montreal 1996). The Canadian operations of the Bank, including the Toronto head office, employed approximately 33,468 individuals in 1996. The BOM is one of the twenty largest private sector employers in Canada.

One of the BOM's business objectives is to be the bank and employer of choice for all potential employees of all backgrounds. By employing a workforce that is representative of the diversity of the larger community, the Bank aims to enhance its understanding of the different needs of all segments of the community, thus resulting in a better customer service (Stairs 1996). The Bank management believes that "the quality of its employees is the single most significant contributor to its capacity to maintain and gain competitive advantage in the diverse and aggressively competitive financial services industry." The BOM's commitment to the development of its human assets is evident in its progressive human resource policies and practices, specifically the workforce diversity strategy. The Bank has received a number of awards and honours for its "outstanding efforts to create a diverse workforce."

The purpose of this case study is to examine and assess the Bank's workforce diversity initiative to advance Aboriginal employment. The Bank is

recognized as a leader in the field of Aboriginal relations and cited as a "best practice" example (Sloan and Hill 1995).

Background

Aboriginal people represent approximately 5 per cent of the Canadian population and nearly 3 per cent of the labour force. The Aboriginals are considered one of the most disadvantaged groups in Canada, particularly with respect to their labour market status. An examination of current Canadian Aboriginal demographic statistics reveal that: (1) Aboriginal population is growing rapidly, with the period between 1986-1996 seeing a 55 per cent increase in the number reporting Aboriginal ancestry¹; (2) the population is young, with 56 per cent of the people under the age of 24 years, compared with only 34 per cent of all Canadians; (3) 31 per cent of the population has a chronic health problem, with 92 per cent visiting a medical doctor in 1991; (4) urban migration has grown approximately 30 per cent in the last three decades; and (5) the population experiences high school drop out rates. According to the 1991 census, 18.4 per cent of the Aboriginal population 15 years and over dropped out of high school before grade nine and 32.2 per cent did not earn a secondary certificate (dropped out of high school between grades nine and thirteen).

The Aboriginal populations' labour market status pales in comparison to non-Aboriginal Canadians. An examination of Aboriginal labour force statistics reveal the following characteristics: (1) Aboriginal labour force representation has remained relatively unchanged since 1991 and is currently approximately 3 per cent; (2) Aboriginal workforce representation under the Employment Equity Act in 1994 was 1.10 per cent,

¹ According to Statistics Canada, about 1.1. million persons reported Aboriginal ancestry in 1996. Of these, 221,000 were of Métis origins, 50,000 Inuits, and 867,000 of North American Indian ancestry.

up only .44 per cent since 1987; (3) high termination rates under the Act offset employment/hiring rate gains; (4) employment is concentrated in low-paying, low-skill jobs; and (5) the average income earned by permanent, full-time Aboriginal employees is relatively low compared to other permanent, full-time employees. In a 1995 report the Canadian Human Rights Commission concluded that "a much better rate of progress on both representation and wages must be achieved if the economic marginalization of Aboriginals is to subside." However, one Canadian organization, the Bank of Montreal has surpassed its legal obligation to recruit and develop Aboriginal people.

Bank of Montreal's Workplace Diversity Initiative

The Bank's workforce diversity initiative began in May of 1991 with the establishment of four taskforces charged with identifying issues regarding workplace equality for women, minorities, Aboriginals and persons with disabilities. According to Harriet Stairs, the Bank's Senior Vice-President of Human Resources, three reasons compelled the Bank to embark on a diversity initiative: (1) diversity is the right thing to do; there should not be any barriers to the employment or advancement of any employee; (2) it is the smart thing to do - it makes good sense and is an economic imperative; and (3) Canadian society is changing and the bank must keep pace with changes in its client base and labour pool.

Embarking on a workplace equality initiative presented four challenges for the Bank according to Stairs (1996): (1) changing the corporate culture; (2) attracting the best talent from all segments of society; (3) retaining their investment; and (4) optimizing the potential and productivity of all employees. Against the background of these four challenges, a process was established for changing the Bank of Montreal in its quest for workplace equality. The first and most critical step of the process was to complete a current situation analysis and develop a report card from the results. The goal was to establish a benchmark of the Bank's strengths and challenges and identify the areas that would need to be changed in order to meet workplace equality objectives.

Upon completion of the current situation analysis, the Task Forces made eighty recommendations to the Bank. A Workplace Equality team, headed by the Vice-President, Workplace Equality was subsequently set up. The team was responsible for implementing

the recommendations and providing leadership on workplace equality issues. Critical to the success of the initiative was clear direction and focus on workplace equality objectives. Therefore, a national advisory council that meets on a quarterly basis was established to review progress of the workplace equality team. In addition, ten divisional advisory councils consisting of ten to twelve members were created to report on the progress of the initiatives at the grassroots level (Stairs 1996).

The Task Force on the Advancement of Aboriginal Employment

Under the mandate of assessing the employment and advancement opportunities of Aboriginal people within the Bank, the Task Force on the Advancement of Aboriginal Employment was struck in May of 1991. It soon became evident to the Task Force that achieving their objective of "formulating actions plans that would quickly and effectively ensure the proper employment of Aboriginal people in the Bank" would be difficult. The problem confronting the Task Force was the fact that Aboriginal people constituted a very small portion of the Bank's employees, only 0.5 per cent. Thus, the Task Force embarked on conducting a comprehensive internal and external environmental analysis to identify the direct and indirect barriers inhibiting the successful recruitment and retention of Aboriginal employees (Bank of Montreal 1992: 10).

To ensure a thorough analysis, the Task Force "decided to launch its investigations with the help of forty-four individuals organized into five divisional action teams." Each team functioned independently, maintaining a focus on the issues relating to Aboriginal people specific to their region. Through working with Aboriginal leaders, colleagues and business contacts, in addition to the specialist departments within the Bank, the teams submitted comprehensive reports identifying barriers and outlining action plans. Team findings were consolidated, organized into six main categories and published in a Report to Employees in September of 1992. Based on the suggestions put forth by the team, the Task Force submitted three key recommendations to the Bank, accompanied by thirty one action plans (Bank of Montreal 1992).

The Task Force findings were grouped into the following six categories: (1) No One Said, 'We Want Your Business'; (2) A Failure to Communicate; (3) A Lot of History must be Reckoned With; (4) Sorry, But those Jobs Are All Taken; (5) Facing A Basic Lack Of

Understanding; and (6) Everybody Isn't Celebrating Diversity. The most significant Task Force finding indicated that historically the Bank did not actively pursue Aboriginal peoples' business. The Task Force held that workplace equality for Aboriginal employees could not be achieved unless equality in the marketplace is achieved.

Task Force Recommendations

The Task Force formulated three primary recommendations. First, the Task Force suggested that the Bank should develop a workforce that comprises 2 per cent Aboriginal employees by October 1995. The Task Force emphasized that, within three years, the Bank's employment of Aboriginal people in each community the Bank serves should mirror the community's workforce. Second, the Task Force recommended that the Bank should reach out to Aboriginal communities to attract employees through a series of special recruitment initiatives. This recommendation, according to the Task Force, was consistent with the Bank's strategy of community banking and its goal to be the Bank of choice for both business and employment. Third, the Task Force suggested that the Bank should create a workplace that fosters the retention and advancement of Aboriginal people, in keeping with the Bank's commitment to develop a diverse and equitable workplace.

Primary recommendations were accompanied by an agenda for change, supported by specific objectives and goals. Ten action plans were developed and focused on:

- Setting and meeting hiring goals
- Keeping up the momentum
- Increasing awareness
- Broadening understanding
- Ensuring Accountability
- Forging new relationships
- Levelling the playing field
- Creating a welcoming environment
- Publicizing commitment
- Monitoring progress

Following the Taskforce recommendations, and to demonstrate its commitment to and the importance of the Aboriginal Banking and Employment initiatives, the Bank formed the Aboriginal Banking Unit (ABU), headed by a senior vice-president. The Aboriginal Banking Unit is comprised of six individuals employed at the head office who report to the vice-president and

provide assistance to eight Aboriginal Banking Managers in the field. The role of the six head office employees is to assist the Bank with moving credits forward, marketing the Bank to Aboriginal communities, providing outreach and business growth, monitoring the employment and well-being of Aboriginal employees, participating in Aboriginal activities, assisting with new product development, and promoting the Aboriginal Banking Unit. The Aboriginal Banking Managers play a liaison role, facilitating communication between line bankers and Aboriginal communities and form the foundation for the construction of mutually beneficial partnerships. To ensure Bank initiatives are correct and focused, the Bank established a circle of Aboriginal business leaders whose role is to advise the Bank on its Aboriginal Business Strategy.

Progress

Reflecting its commitment to Aboriginal employment initiatives, the Bank has shown a marked improvement in the employment of Aboriginal employees. The Bank's Aboriginal workforce has almost tripled from 111 employees in 1990, to 339 employees in 1996. Aboriginal people represented 1.9 per cent of the Bank's workforce in 1996, marginally short of the goal of 2.0 per cent set by the Task Force in 1991. Turnover in 1996 reached a three-year low with Aboriginal employees accounting for only 2.2 per cent of total terminations. The Bank's success is also evidenced by the fact that Aboriginal people constituted 9.9 per cent of all new hires in 1995 compared with less than one per cent in 1990. However, the proportion of new hires in 1996 was 3.1 per cent. In 1996, 2.2 per cent of all promotions were awarded to Aboriginal employees, nearly four times the proportion in 1990 (Bank of Montreal 1997). Improvement in the Aboriginal employment situation within the Bank is also evidenced through salary distribution statistics. In 1990, 47.6 per cent of the Aboriginal workforce earned less than \$25,000 compared with only 24.9 per cent in 1995. Similarly, in 1990, 47.6 per cent of all Aboriginal employees fell within the \$25,000 - \$49,999 salary range compared with 62.7 per cent in 1995. By 1995, 12.4 per cent of the Aboriginal workforce earned over \$50,000 compared with 4.8 per cent in 1990.

Secret to the Bank's Success

Improvements in the Aboriginal employment situation within the bank have been realized because of careful

strategic human resources planning, senior management commitment, and the implementation of a number of human resource strategies designed to increase Aboriginal employment and retention.

Each year the senior operating committee of the Bank establishes hiring targets for each of the eight banking divisions. Targets are region specific, and reflect the demographic realities of Aboriginal people living in each area of the country. For example, the hiring targets are higher in Manitoba than in the Maritimes simply because of the large Aboriginal population that resides in that province.

Establishing hiring targets was the first step in a series of programs to facilitate the full implementation of the Task Force recommendations. To fulfill hiring targets the Bank developed a comprehensive recruiting strategy to market banking career opportunities to Aboriginal people, something never before done by the Bank. The two-pronged approach focuses on marketing the Bank to future employees, specifically high school, college, and university students as well as Aboriginal individuals currently part of the labour market.

The thrust of the high school recruiting strategy is to encourage Aboriginal youth to stay in school. Recognizing the challenges of promoting stay in school programs to a geographically dispersed audience, the Bank has developed programs for urban and rural students, and students living in remote, isolated northern communities. In urban and rural areas the bank encourages managers with Aboriginal backgrounds to act as role models and frequently visit high schools, offers high risk (drop-out) students career counseling and part-time employment, liaisons with schools to promote career options with the Bank, and has a policy to form partnerships with Aboriginal educators.

In the remote north the Bank encourages students to stay in school by forming partnerships with organizations that work directly in isolated northern communities. The Bank supports students in those areas by being the major sponsor at community events, providing financial donations to community and school activities, and by forming partnerships with educational institutions and educators.

Recruiting at the College and University levels requires more cogent and coordinated efforts due to the high demand and limited supply of Aboriginal post-secondary school graduates. Recruiting initiatives

used to source and attract college and university graduates to the Bank include: building partnerships with colleges and universities with large Aboriginal student populations, internship programs, approximately 30 bursaries to Aboriginal students across Canada, advertising in Aboriginal community newspapers, printing advertising material in community languages, partnership with the Native Women's Association of Canada through an initiative called CareerPlace, and developing relationships with Aboriginal leaders and communities.

Hiring targets and recruiting strategies only lead Aboriginal people to the front door of the Bank. Recruiting success also requires assisting students in overcoming their apprehension about the banking environment. The Bank believes that recruiting initiatives are more productive when potential employees are given a meaningful and comfortable introduction to the banking system. To this end, the Bank managers regularly attend annual career fairs. The Bank has also instituted job shadowing, co-op education and apprenticeship programs to introduce Aboriginal students to the banking environment.

The Bank's Professional Banker Aboriginal Apprenticeship Program (PBA) was the first 'white collar' apprenticeship program in Ontario. Launched in 1995, the program "provides participants with full-time employment at the Bank while they attend classes at Centennial college and the Bank's Institute for Learning." Upon successful completion of the program, participants are granted advanced standing toward a diploma from Centennial College, an apprenticeship certificate from the Provincial government, and a permanent full-time position with Bank of Montreal." The program was developed by the Bank in co-operation with Centennial College, Ontario's Ministry of Education and Training, and Human Resources Development Canada (Bank of Montreal 1997).

The Bank looks for and requires the same skill set from its Aboriginal applicants as it does from non-Aboriginal applicants, typically a minimum of a college degree and preferably some business acumen and work experience. Accordingly, Aboriginal applicants must possess the requisite knowledge, skills and abilities to be considered for a particular position with the Bank. The Bank believes that increasing Aboriginal employment opportunities is a dual responsibility of both the Bank and Aboriginal people. The Bank promotes to Aboriginal applicants

the importance of skill development by encouraging applicants to obtain the appropriate education, and assisting them in gaining access to education and pre-employment training.

Initial recruiting efforts revealed that a very limited number of Aboriginal individuals were graduating from colleges or universities and the majority of job applicants did not meet the Bank's minimum qualifications when applying for entry level positions. Therefore the Bank developed an in-house pre-employment training program targeted for potential Aboriginal employees. The 6-8 week long pre-employment training program provides individuals with access to enhanced senior matriculation programs, with emphasis on business, specifically finance and communication, computer and math training. The program is delivered on an as needed basis in major urban centres, particularly where hiring opportunities exist. The program was developed in 1991 by the Bank in conjunction with the Federal government and was designed to provide Aboriginal people from the Six Nations/New Credit reserves with the opportunity to gain access to accredited training that would allow them to pursue employment opportunities with the Bank. Twenty-two individuals participated in the first year of the program, and nine were able to secure employment with the Bank upon completion.

Recognizing that voluntary turnover is a reality, the Bank proactively instituted a number of programs aimed at minimizing the level of voluntary turnover and easing Aboriginal employees transition into the Banking environment. Among these programs are: national and divisional workforce diversity advisory councils on which Aboriginal employees are encouraged to participate; a forum for Aboriginal employees called the "Talking Circle," to voluntarily discuss and share their frustrating and rewarding Bank experiences; a mentor program where senior Aboriginal employees provide assistance and advice to junior employees on an as needed basis; a group hiring process where a number of Aboriginal people, usually two or three, are hired concurrently; networking to provide the employees with an introduction to their Aboriginal peers and allow them to form a network; and exit interviews for gathering information about why Aboriginal employees voluntarily leave the Bank.

Identifying the root causes of turnover² is critical to improving the retention of Aboriginal employees. Therefore, in 1996 Bank of Montreal hired external consultants to conduct confidential exit interviews with Aboriginal employees and report their findings to the Bank³ (Bank of Montreal 1997). In addition to the above initiatives, the Bank has also developed and implemented a mandatory 2-3 day cultural awareness training program for senior management. The training program is targeted to individuals who work directly in Aboriginal communities and/or with Aboriginal people. Currently 165 of the Bank's 1220 branches assume priority for Aboriginal cultural awareness training programs. The training is delivered primarily by elders and representatives from the Canadian Council for Aboriginal Business and includes a sweatlodge, history of Aboriginal people in Canada, and education about the Bank's initiatives for developing productive relationships with Aboriginal people.

Critical Success Factors

Bank of Montreal attributes the successful development and implementation of its Aboriginal employment strategy to the following factors:

- *Commitment* to developing relationships with Aboriginal people, learning about Aboriginal cultures, and taking the time to develop relationships with Aboriginal leaders and elders.
- *Consecutive successes* – building on each success. By working with a particular community the Bank is able to demonstrate to other communities its commitment to and genuine interest in developing lasting partnerships with Aboriginal people.
- *Understanding* that Aboriginal people are not one group of people. There are 633 First Nations territories in Canada that are very diverse and distinct in their cultures and perceptions. Successfully managing each relationship requires developing individual understandings of each community, its people, and its cultures.

² It is important to note that not all Aboriginal employee turnover is necessarily negative. In 1996, 19 per cent of Aboriginal employees left the Bank to pursue better opportunities such as education or jobs in their home communities.

³ The bank is currently in the process of implementing the consultants' recommendations.

For the momentum to continue, the Bank executives acknowledge that they must place a high priority on making sure there are people within the Human Resources Department and the Aboriginal Banking Unit reviewing the progress and well-being of Aboriginal employees in the Bank system. More importantly, through its recruiting efforts the Bank must ensure that it acquires a reasonable number of Aboriginal applicants in the communities it serves in order to sustain its Aboriginal Banking and Employment initiatives.

Conclusion

The growth of the Aboriginal population, the increasing importance of Aboriginal issues in the political arena, and the push for Aboriginal self-government make it imperative for Canadian organizations to develop productive relationships with Aboriginal people. Bank of Montreal is one of a handful of Canadian organizations that has embraced diversity and gone beyond legislative requirements in developing a workforce diversity strategy, particularly with respect to Aboriginal employment. The key to the success of the Bank's strategy, as indicated by employment equity ratings, is the organization's unwavering commitment to the workplace equality initiative.

To forge new business relationships with Aboriginal people, the Bank recognized that advancing the well-being of Aboriginal Canadians by offering career opportunities to qualified Aboriginal individuals has to be a cornerstone of a successful Aboriginal Banking

strategy. By developing pre-employment training programs, implementing aggressive recruitment initiatives, and offering career advancement opportunities, the Bank has demonstrated to Aboriginal leaders the strength of its commitment to developing mutually beneficial partnerships with Aboriginal Canadians.

Bank of Montreal serves as a role model organization for other Canadian companies interested in developing not only workplace diversity strategies, but Aboriginal Relations programs as well. Through vigilant development and careful implementation of the Task Force on the Advancement of Aboriginal Employment's recommendations, the Bank has been able to celebrate many successes and demonstrate to Canadian business that managing workplace diversity is a business imperative with a potentially large payoff. Bank of Montreal's initiatives and accomplishments thus far are merely an indication of the potentially lucrative relationships they are developing with Aboriginal people.

Bank of Montreal's commitment of financial resources and time to the Aboriginal Banking initiative has resulted in burgeoning business opportunities. Through its Aboriginal employment initiatives, the Bank has gained access to banking business in many more Aboriginal communities and been able to develop a more diverse business portfolio. More importantly, the integrity displayed by the Bank through its continued support of the Aboriginal Banking Unit has enabled the Bank to earn the trust and respect of Aboriginal leaders, a critical element for developing closer relationships with the Aboriginal community.

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WORKPLACE INNOVATION EXPERIENCES SUPPORTED BY THE LABOUR-MANAGEMENT PARTNERSHIPS PROGRAM

*Labour-Management Partnerships Program
Federal Mediation and Conciliation Service
Labour Program, Human Resources Development Canada
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There is a growing recognition at the firm and industry level that a positive approach to labour-management relations is crucial to the success of the Canadian economy. However, in many workplaces, good relations are not easy to establish and maintain. Since 1991, the federal Labour-Management Partnerships Program (LMPP) of the Federal Mediation and Conciliation Service (FMCS) has provided advice and funding, on a cost-shared basis, to companies and trade unions in support of joint initiatives aimed at enhancing productivity and competitiveness, as well as employment security and good working conditions.

The experience of the companies and unions involved in these LMPP supported projects on workplace initiatives has been documented in a number of articles describing each project. Each article is drawn directly from independently-conducted interviews with the management and union officials involved in making workplace change happen. They reflect the experience of very diverse Canadian enterprises in sectors that range from manufacturing to resource processing to health care. Some projects are industry-wide; companies small and large are included. Each article provides a "snapshot" of a labour-management initiative, many of which continue to evolve.

*The **Workplace Gazette** plans to publish nine articles under common themes. The first three articles reported in this issue each reflect a partnership approach to resolving workplace issues linked with organizational change and the organization of employees in work teams. The subsequent six articles to be published in future issues will feature the following two themes : **investing in human skills/resources and union-management collaboration.***

"Nose to Tail" Re-engineering: A Herculean Job for CAE Aviation and the IAMAW

"You can tell just by looking around at different parts of the hangars, where the team approach is working, and where it's not. The work areas are much more user-friendly." Rick Arsenault is the elected business agent, for Local 1579 of the International Association of Machinists and Aerospace Workers (IAMAW). He's also a past president of Local 1579, at CAE Aviation in Edmonton.

Rick Arsenault is a supporter of the work that CAE and the IAMAW have done, over the past four years, to restructure more than half of CAE's 650-person

workforce into teams (or "cells" in CAE parlance). Yet he is a tough critic, and recognizes the challenges in some elements of the process that CAE used.

Both the company and the union can say that the four-year-old initiative started with them. For management, making sweeping changes to the way that CAE's work was organized began with the strategic understanding that CAE's core business, maintaining and repairing Canadian military aircraft like the famous C-130 Hercules, was getting tougher. Canada's defence budget was shrinking; at the same time, Ottawa was insisting on more competitive contracting, with fewer contracts "directed" to individual companies.

To hold its Canadian market, and to attract new military and commercial contracts from the international marketplace, CAE needed to become more productive.

For management, that meant more flexibility in how the skilled tradespeople in CAE's workforce would organize their work.

The IAMAW can take plenty of credit, too. Both its international and Canadian sections are progressive and flexible, always looking at new forms of labour-management partnerships. In a volatile industry like aerospace, job security is a critical goal. "If that means that workplaces have to change, adapt, and become more flexible, the IAMAW", says Arsenault, "is ready to give it a try". He says that a Vancouver forum about new kinds of labour-management relationships sent Local 1579 people back to Edmonton with lots of ideas about how the union could be an important initiator of change.

Freia Koenig, CAE's Director of Change Programs, agrees with Arsenault that the shift from rigid single-trade work groups (like sheet metal workers, electricians, and so on) to cross-functional teams working on sections of an aircraft (nose, tail, wing, fuselage) could not have happened without joint support. Both she and Arsenault point to three conditions that helped the change process get started in 1991:

- CAE was in a strong financial position;
- labour-management relations were in good shape; and
- both union and management recognized the need for change — management's bottom line and the union membership's job security were linked to the need for CAE to become more competitive.

"This is a very tough process. It's long, it's hard; once you start something like this, you have to work on it every day," says Arsenault. "If you don't, it fizzles. For one thing, it changes every day — you have to keep modifying it, or you'll sink back."

Koenig echoes that sentiment. "We started with a total redesign of our largest aircraft program, the 'progressive structural inspection' of the Hercules. In all, it took 14 months. A very long process, very time consuming." She laughs, "we learned a lot in those 14 months." The design and implementation was completed one cell at a time.

She highlights the size of the task. "In addition to process redesign, we wanted a cultural change, from a traditional management style to a participative style. We wanted a flatter structure. We had 'benchmarked'

companies that were going through change processes and we knew our change had to be fundamental and long-lasting."

The change model that was adopted called on the expertise of outside consultants to support the process. It would begin with a multidisciplinary eight-member task force, half management and half union, to design and implement the first teams. "We learned that the task force members had to devote themselves to this full-time," says Koenig.

The key to the shift was training, partly supported with an \$80,000 contribution from the Labour-Management Partnerships Program (LMPP). The training focused on redesign and problem solving, but even more importantly in the "soft skills" that teams need: communications and leadership training. Koenig thinks that CAE's teams are in a constant state of behavioural change: "Each person has to play their part when you're working as a team. You change, then if others don't change as much, or change more, you have to change again to accommodate that. It's not easy, and you need to get continual employee feedback on what's happening, how it's going."

The agreements between CAE and the IAMAW were struck through a separate process, outside of the collective agreement. For each key concept, not covered by the Agreement, a letter of agreement was signed between the company and the union. Letters were signed on the original intent to act as partners, on the selection of team leaders, on shift flexibility and so on, setting out the what, why and how of the change process. The joint task force studied how work was done, and recommended the steps needed to move to a multidisciplinary team approach. Mutual trust was established by open and honest dialogue and joint progress reviews.

CAE's change process nosedived around the issue of whether a team leader could be a union or management position. Initially, the company wanted only previous supervisors — foremen — to be eligible. "That was a trust issue," says Arsenault, "we rejected the company's position." It was then decided that a leader could be either a union or management position and the candidate could make his/her own choice about joining management or staying in the union. Koenig says that choice is sometimes a tough one, since team leaders are responsible for discipline.

The switch to teams brought other issues.

Koenig says that middle-management employees are the most vulnerable, the most threatened and the most difficult to handle. She says “you can’t leave that issue on a back burner. People have to deliver on new behavioural expectations. If you don’t deal with people who resist change, they can drag your whole program down.”

Koenig also notes that the non-union parts of the workforce were easier to restructure: “We didn’t need to negotiate as much, and we didn’t need the letters of agreement.” Looking back, Arsenault has his own concerns about that process. “Now, I think we had too many letters. They took a long time to negotiate and we probably could have made do with less.”

Koenig says there were two other major challenges. The first was in managing employee expectations about how quickly the process could proceed, and the differences that it would make to individual workers. The teams, she says, are in a process of continual change, and workers who expected that things would change overnight have been disappointed. “For a while, we had all kinds of complaints that nothing had changed.” The solution was to return to the teams with more training and discussion, working with them to make sure that people’s expectations were realistic.

Second was the challenge of trying to measure the pace of change. A team’s progress can only be partially measured through productivity gains, and as Arsenault points out, “we haven’t yet reaped the productivity gains”. CAE has used a stream of employee surveys to benchmark and check the progress of their teams.

Where did the LMPP fit in? The training was a vital part of the process, and CAE and IAMAW applied for LMPP funding to support it. It’s been a “godsend”, says Koenig. As predicted, the aerospace industry competition became tougher; CAE’s internal training budgets slipped. LMPP’s contribution of \$80,000 has been put to good use filling in gaps in the training program.

The other important use of LMPP dollars is in teaching others what had been learned. LMPP supports workshops that CAE and IAMAW give to other companies and unions interested in work restructuring.

CAE’s restructuring program, in Koenig’s words, is moving “full steam ahead.” Both CAE and IAMAW have another linked initiative underway, called High Performance Work Organization. This union-sponsored

program, an extension to Total Quality Management, aims even higher — a more flexible Agreement, cross-functional teams, multi-skilling, worker empowerment and participation, and at bringing workers into industrial decision-making processes. In return for new ways of doing things, the IAMAW seeks employment security — guarantees that layoffs will not result from improvements to the work process.

All in all, CAE and the IAMAW are making sure that the company becomes more productive and flexible, ready for anything the marketplace sends its way.

“Pay For Knowledge”: Part of the Restructuring of Employee-Owned Algoma Steel

“One restructuring goal was a highly-trained, highly-skilled workforce at Algoma. We knew that for our bottom line we had to get our numbers down, and be way more flexible about how work was done. Pay-for-knowledge is a small part of our self-directed team approach.”

On the phone, Denis Desjardins of USWA District 6 sometimes sounds a bit like an owner, and, in a sense, he is. Desjardins is one of two United Steelworkers of America’s Restructuring Coordinators, working with their management counterpart Mike Day to implement the 1992 employee buyout of Algoma Steel in Sault Ste. Marie.

The Algoma deal was a signal event in Canadian labour-management relations. In 1991, with Algoma shares hovering around \$2.00 and an \$800 million debt, Algoma’s new owner Dofasco announced that it would walk away from the plant. Algoma’s 6,000 workers, represented by the Steelworkers’ Leo Gerard, negotiated a \$110 million loan guarantee from Bob Rae’s NDP government, and bought 60 per cent control of the company. As labour and management began a plant restructuring aimed at increasing productivity and profits, the steel market rebounded. In 1994 Algoma announced its first profits since 1988, and by the end of that year, the value of Algoma stock had risen to nearly \$16.50.

One of the ingredients of Algoma’s success was the restructuring of the workforce into self-directed teams. Inevitably, that meant training, and new ways of encouraging training that matched the team approach,

such as a “pay-for-knowledge” compensation system. The joint development of this innovative compensation system, announced in August 1994, was partly funded by a \$50,000 contribution from the LMPP.

“Pay-for-knowledge is a natural product of other parts of the restructuring,” says Day. He was asked to be Company Coordinator for restructuring in 1992. Sounding almost as if he comes directly from the union hall, he points out that pay-for-knowledge is a “straight line” from an environment of self-directed work teams, when you implement job rotation. “When you want the guys to absorb new skills, and take on the job of someone who’s paid more, compensation **has** to follow. ‘What’s in it for me’ is a natural, normal question.”

When job rotation and self-directed teams are combined, workers not only need new technical skills, they also need what Day and Desjardins call “soft skills” — analytical skills, leadership skills, communications skills — that they didn’t need in a hierarchically-organized steel mill. Responsibilities for quality control, even statistical process control, are shared among team members. As Day puts it, “suddenly, you need people who can plan, observe, test, graph, and inspect results.”

Algoma’s managers and the union recognized that both quality and productivity would have to increase if the plant was to be successful, and quickly made the link to improved training. Pay-for-knowledge follows through on that link, and ties compensation into the overall strategy.

And it fits other elements of the restructuring. Both men, for example, point to “delaying” as another key component pushing workers to acquire new skills. In one production line at Algoma, eight separate jobs were reduced to two or three.

Both Desjardins and Day say the jury is still out on pay-for-knowledge, but Algoma has already learned important lessons.

Desjardins, for example, says that a few key parts of the plant were handpicked, partly because teams using job rotation were pressing for compensation changes, and partly because the labour-management committee that runs Algoma saw them as the most mature and stable teams. “Lots of people are resistant to change, especially where dollars are concerned,” he says. “We chose teams that had been around for a while, ones that were working well together.”

Implementing the system, even in selected areas, was a big job. First, work groups and jobs or trades were picked as pay-for-knowledge candidates. That meant written selection criteria had to be developed, and various tasks and activities within a team carefully analysed. “Skill blocks” had to be defined — again, both criteria for grouping the various skills, and substantive descriptions of the blocks, were needed. Job rotation requirements had to be specified. Before training plans could be developed, existing skills among the team’s workers had to be accurately inventoried.

It did not end there. Systems needed to be in place to monitor the training, keep track of its administration, and figure out the compensation increments for pay-for-knowledge and job rotation. Results would have to be evaluated, once the system was in place.

The Steelworkers and Algoma management had another goal. They wanted workers to acquire skills that were “portable”, not only within the Algoma plant, not only across the steel industry, but in all industries that similar trades and technicians were needed. That would help ensure the highest possible quality of the Algoma workforce.

Algoma’s success in the marketplace meant that finding the time for training was another challenge. According to Day, “there was no issue here about whether time away for training would be compensated. But with the plant working flat out, finding the time to have people off on a course was tough.”

Another challenge he is quick to point out is in Algoma’s administrative systems. “We didn’t realize how much strain pay-for-knowledge would put on them. It’s complicated. You have to plan the training, track it, know when someone’s completed it, and translate that into his pay cheque. And you have to do that efficiently, or people get upset, and no wonder.” He says that altering Algoma’s administration to handle pay-for-knowledge turned out to be a much bigger challenge than anyone expected. “A lot of it, in the end, had to be done by hand.”

While both men are strong supporters of pay-for-knowledge, there’s a sense that Algoma may have tried to move too quickly. If he were advising others, Desjardins, for example, would suggest a more measured approach. He says that a key question for trade unions also arises when you differentiate among members. “What you’re doing when you try this is offering something to **some** of your union members,

and setting up differences among them. It's really important that you sort out that issue before you go ahead. We ran into internal problems because we didn't have that solved as well as we should have."

Day, a former teacher, says that "things have to happen in parallel. You have to take the time to establish your existing knowledge base; today, you have to really do Prior Learning Assessments, especially of the new literacy and numeracy skills that may be needed. Each pay-for-knowledge project will be different, and we've had a lot of our own advances and then retreats. But we're gradually getting ahead."

Desjardins agrees that Algoma is still learning. "We've slowed it down now, and we think that it needs more development before we can push ahead," he says. Both he and Day point to the need for work teams to "mature", and be able to work closely together, before pay-for-knowledge can be put in place. Teams have to want to take the step. Desjardins is emphatic: "the initiative for pay-for-knowledge has to come from the team itself."

Desjardins also thinks it's important that each company develops its own pay-for-knowledge approach. He says that Algoma had some help from outside experts, but that success can only come if you "do your own homework. The program has to fit your own workplace, and has to be your own process."

Both men are proud that a lot of the program's technical and trades training is delivered through local community colleges, and that the training is portable — it can be delivered at any community college associated with the steel industry. An agreement has been struck with the Ontario Association of Community Colleges to extend the program to campuses outside of Sault Ste. Marie.

Day and Desjardins are both guardedly optimistic about pay-for-knowledge, and it's easy to see that the job turned out to be tougher and longer than either of them had hoped. There's a sense that progress in the future will be a little slower, a little more cautious. But both men see it as part and parcel of the restructuring, a natural outgrowth of the productivity gains that have been part of Algoma's success so far.

"A Changing Workplace": *Gaz Métropolitain and Syndicat des employés de Gaz Métropolitain* [union of Gaz Métropolitain employees] (CNTU)

There is something radical and revolutionary about what is happening practically everywhere we look." One could be forgiven for thinking that this statement refers to a worker revolt fomented in the greatest secrecy, but there is no need to worry. It is in fact an allusion to the numerous work reorganization initiatives launched in Quebec in recent years.

One interesting fact about this quote is that it was taken from a publication produced by the Confederation of National Trade Unions (CNTU), "*Teamwork and Democracy in the Workplace*". This publication, which is approximately 100 pages in length, looks at one specific type of work organization: teamwork. Produced by the CNTU with \$57,500 in financial support from the federal government under the LMPP, this publication is intended to serve as both a study paper and a guide to changes currently taking place in the area of work organization in blue-collar and white-collar work environments.

In particular, this publication reports on success stories such as that of Gaz Métropolitain, a provincial natural gas distributor with their head office in Montreal. Fernand Valiquette, a member of the executive of the Syndicat des employés de Gaz Métropolitain, provided a very positive assessment of the reorganization into work teams undertaken in 1986: "In the end, we are more productive, we have taken over jobs that had previously been contracted-out, and employees have even received a pay raise." What Valiquette was referring to was a workforce reorganization in the mechanics and welding shop, which changed the established order. As explained by Jean-Yves Hinse, Director of Industrial Relations at Gaz Métropolitain, the company's 35 welders and plumbers had traditionally been grouped into parts manufacturing teams composed of a welder and the welder's assistant and a plumber and the plumber's assistant. In order to maintain an adequate level of productivity, the employer had to call on the services of independent contractors, but it did not want to follow the lead of other gas distributors and contract out all of the network's manufacturing and maintenance work. As

frankly admitted by Valiquette, President of the Union at the time in question, "We were not competitive. Improvements were needed. So we laid our cards on the table."

Gaz Métropolitain agreed to maintain and develop the jobs of its approximately 500 blue collar workers affiliated to the CSN but, in return, it was agreed that work methods would have to be rethought with a view to increasing productivity. As a result, the four-person work groups were replaced with two-person multidisciplinary teams composed of one pipe mechanic and one welder. "We did not change our work or safety standards; we changed the way we work," explained Valiquette. The new work organization led to greater multi-skilling and more personal satisfaction on the part of employees in their work. The changeover to work teams was accomplished without any loss of jobs, either when the teams were formed or since.

In 1991, the work reorganization was extended from the manufacturing and welding shop to network maintenance operations. Since then, autonomous employees are responsible for inspection activities in sectors where this is feasible. Teams handle larger jobs, such as cases of broken mains.

According to the definition used by the CNTU in its publication, a work team is "a team that works together to perform goods and services-related jobs within an organization." The work is therefore performed in natural work units, the composition of which is based on the processing required for the goods or services in question." Some might say that there is nothing more obvious, but according to Hinse, a reorganization of this kind, as "natural" as it may be, cannot be achieved overnight. "It takes a long time to bring about a change in culture, and there must be trust, on the part of both the employees and the employer".

Working in cooperation with the union, the employer focussed on identifying common objectives, identifying the main problems and working together to identify innovative solutions. According to Hinse, this shift in labour-management relations is essential if a work reorganization initiative such as the one at Gaz Métropolitain is to succeed. "Employees must feel consulted and be involved in the decisions made," explained Fernand Valiquette.

At Gaz Métropolitain, teamwork is in fact the culmination of a long process begun in 1984. At that time, a major change was made in the natural gas

distribution network: iron piping was replaced with plastic piping. This new material was expected to provide a greater degree of safety, but this increased safety would inevitably lead to a decrease in activities and a change in the nature of activities. A safer distribution system would in fact mean fewer repairs, but more preventive maintenance work.

Union members felt it essential that the downsizing resulting from the modernization of the system be managed. It was expected that between 125 and 130 positions would disappear. "Downsizing was achieved through attrition, and no one lost their job," Valiquette proudly stated. Employees whose positions were eliminated were relocated to other sectors.

At Gaz Métropolitain, it is felt that three major conditions must be met in order for labour-management cooperation initiatives to be successful. First and foremost, there has to be a true desire to make a change. There is no point in trying to force a partner to change. Each partner must sincerely want to change. According to Hinse, labour-management relations are comparable to the relationship between a couple, except that, "unlike marriage, where there is always the possibility of divorce, the two parties must continue to live together." Strong leadership, on the part of both the employer and the union, is the second condition for success. The last condition is the actual implementation of actions which reflect the stated intentions.

At Gaz Métropolitain, a state of crisis was reached in 1982, in the form of a 117-day strike. Three mediators unsuccessfully attempted to end this strike which, according to Valiquette, centred on the very legitimacy of the union. The last mediator reportedly stated that he had never seen such bad labour-management relations as those at Gaz Métropolitain. But the strike would prove to be the last of a string of almost yearly labour disputes. Thanks to a preventive mediation process, the culture of confrontation gave way to a culture of consultation and participation which, according to Valiquette, has continued to evolve since 1983. No grievances have been filed, 6 agreements have been signed in a non-adversarial environment and an on-going conflict resolution process has permitted the signing of over 100 letters of agreement amending the collective agreement. These first steps to bring labour and management together therefore cleared the way for the labour-management cooperation needed to ensure the success of the teamwork project.

In its publication on teamwork, the CNTU attaches a great deal of importance to the fundamental values of autonomy and increased responsibility that underlie this type of work organization. And, according to Hinse, "we still have a lot of work to do in the area of increased responsibility and decision-making on the part of the rank-and-file." An employee responsible for servicing appliances, for example, should have sufficient latitude to be able to make the necessary decisions to satisfy clients. He cited as examples a courier service employee who, on his/her own initiative, will make a decision to charter a private plane to ensure the delivery of a very important package within the promised time, or Japanese employees who can decide to stop an assembly line if they feel it necessary to do so. Hinse pointed out that Gaz Métropolitain has not yet reached this point. Why the reticence? "Employees often tell me that they don't want the responsibility," Hinse indicated, "but I believe that that is where we are headed in the medium term."

The significant improvement in labour-management relations at Gaz Métropolitain has resulted in a high degree of satisfaction on the part of both the employer

and the union members, and the joint presentations on labour-management partnership that are periodically given by Hinse and Valiquette are evidence of this new culture of cooperation.

Could they have done even better? When asked the question, Hinse hesitated for a moment before indicating that "more attention should perhaps have been paid to the first level of management, the supervisors, providing them with more training, support and advice and, in some cases, selecting them more carefully." Valiquette indicated that he believes that harmony in labour-management relations is now assured.

As for the CNTU, it hopes that the publication it has produced (8,000 copies of which are in print) will serve to promote this type of work organization at a time when economic realities are forcing us to once again re-examine how we do things. According to Valiquette, the good news of the at least partial success of the initiatives at Gaz Métropolitain needed to be spread. "We needed to find ways to share it."

OWN-ACCOUNT SELF-EMPLOYMENT IN CANADA: LESSONS LEARNED

This study is part of the Lessons Learned series, which synthesizes what evaluations in Canada and other countries have taught us about a range of high-profile human resource development policy priorities. This study was conducted by Ekos Research Associates, under the direction and for Evaluation and Data Development (EDD), Human Resources Development Canada (HRDC). Copies of the report, as well as the video that goes with it, are available from EDD at edd@spg.org or 1-888-440-4080.

Acknowledgements

This study summarizes lessons learned on own-account self-employment based on information that the Department of Human Resources Development Canada (HRDC) has on the topic as well as on other information available from various sources. In addition, new research was conducted to bring this information up to date.

The original work was done in support of the exploration undertaken by the Labour Program on issues arising from the changing workplace. For the conduct of this project, a work team was created. It was composed of HRDC representatives, mainly from the Labour Program of the Department, and also from other departments.

The study is based on a technical paper prepared by Norm Leckie of Ekos Research and Associates for, and under the direction of the Evaluation and Data Development (EDD) Branch of HRDC. The technical paper, *Lessons Learned on Own-Account Self-Employment in Canada: Final Report* (July 1997), is available upon request.

Series

Canadian governments are trying to achieve the most productive and cost-effective results from human resource programs and policies. Professionally-conducted evaluations can help them reach that goal. They document our experiences with policies and programs that have had similar goals. They add to the "corporate memory" that helps us make better decisions in the future.

Human Resources Development Canada (HRDC) has a strong commitment to continuous learning. Over

the past decade, at HRDC we have invested time and money in evaluating many of our programs and policies. Evaluations have covered a wide range of human resources development programs and policy issues. These have been complemented by our reviews of evaluations by other governments, in Canada and internationally, of other human resource initiatives.

HRDC has developed the "Lessons Learned" series to make this wealth of information and insight available to more people, more easily. Lessons Learned is a series of documents and supporting videos that synthesize what evaluations in Canada and other countries have taught us about a range of high-profile human resource policy priorities. They summarize what we know about the effectiveness of policy initiatives, programs, services and funding mechanisms.

Lessons Learned are of interest to senior managers and policy analysts in Canada's governments. Program managers, members of the academic research community and other stakeholders could also benefit from having a clearer idea of the lessons we have learned from past and present programs.

HRDC is pleased to add this new study to the series. It focuses on the lessons learned from own-account self-employed individuals over the last few years. Although the self-employment phenomenon is not new, very little information exists on the topic. During the course of work being done on the changing workplace, it became evident that we needed to know more about this population. Therefore, EDD, in consultation with Strategic Policy and Partnerships, Labour Program, produced this Lessons Learned study on the subject. The information produced for this study

was used as an input to the Report of the *Advisory Committee on the Changing Workplace* published in June of 1997.

As a learning organization, HRDC will continue to experiment with new approaches and evaluate their effectiveness. HRDC recognizes the vital importance of the evaluation process and is committed to continuing its work in this area.

Introduction

This “Lessons Learned” study summarizes what we know about own-account self-employment (OASE) in Canada. It focuses on people who are self-employed on their own account. These are people who do not usually hire paid help, and include both people who have incorporated their businesses, and those who are unincorporated.

Self-employment has become the way that a growing number of Canadians earn their living. OASE covers a diverse range of occupational realities, from the small-town carpenter working at a series of local construction sites to the high-technology consultant with an international clientele. Many self-employed people have chosen to pursue this kind of working environment (they are pulled into it), while others opt for self-employment as the only realistic job choice open to them (they are pushed into self-employment).

This Lessons Learned report supported the inquiry that was initiated by the Minister of Labour on issues arising from the changing workplace. This study summarizes and adds to our knowledge of this emerging human resource priority. As with other studies in the Lessons Learned series, by better understanding self-employment in Canada, we can improve public policies and programs that affect or support self-employed people. It also allows us to gather a greater body of information that people considering this form of work can use to make better decisions.

The main issues that this study addresses are:

- **Trends, incidence and profile:** What is the current state of own-account self-employment in Canada and what have the longer-term trends been? Who are the self-employed and what type of work do they do? Are men or women, or older or younger Canadians, more likely to be self-employed? How does the rate of self-employment vary across occupations and industries?

- **Reasons for growth:** What are the factors explaining the rapid growth of self-employment? Are people being pushed or pulled into self-employment? If the latter, why are people actively choosing to become self-employed?
 - **Job quality:** How does the quality of jobs occupied by the self-employed compare to paid jobs in terms of issues such as income and benefits? How do self-employed people feel about their jobs?
 - **Determinants of success and failure:** What are the factors contributing to success or failure of a venture into self-employment? What are the financial issues that the self-employed face? How have new communications technologies affected the self-employed? Do business and social networks and partnerships play a role in sustaining self-employment? To what extent are the self-employed turning to horizontal and vertical links to overcome disadvantages of being self-employed? What about personality traits and the attitudes of self-employed people?
 - **Impacts:** What are the broader impacts of self-employment on individuals, families, communities, society and the economy?
 - **Lessons learned for government:** What lessons, for policy makers and the potential self-employed, may be extracted from the experiences of the self-employed? What is the appropriate role of government regarding self-employment?
- In addition, this study raises two methodological questions throughout:
- **Data quality:** What is the quality of the information on which conclusions about self-employment are being drawn?
 - **Research gaps:** What gaps remain in our knowledge of self-employment on which future research should focus?

Methodology

The methodology used to prepare this report has three elements. First, the researchers carried out a review of the data and literature on own-account self-employment. This included data from a range of Statistics Canada surveys and public opinion polling. It also included an analysis of previously published

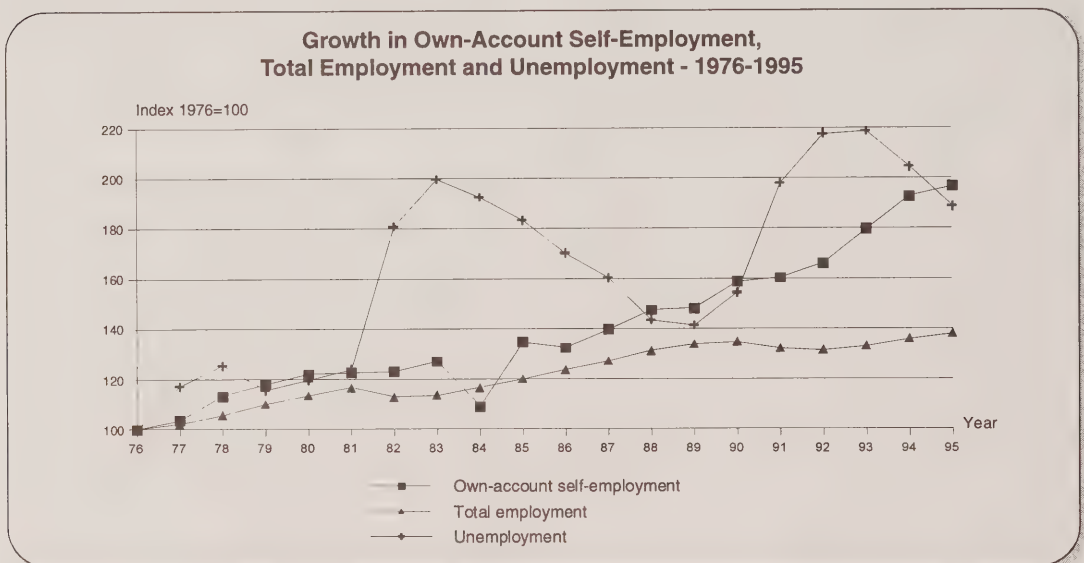
research on self-employment. This information was supplemented by a series of interviews with people who are actively involved with self-employment issues, either as program officials or researchers. These interviews provided an opportunity to test patterns or hypotheses suggested by the quantitative data, as well as to identify the most appropriate future policy and program suggestions. Finally, eight focus groups were convened to consider study issues on the basis of the experiences and feelings of the self-employed.

Trends, Incidence and Profile

In 1997, there were nearly 1.5 million own-account self-employed people in Canada. That represented

almost 10 per cent of total employment. Between 1989 and 1995, the number of self-employed Canadians grew by one-half. Between 1976 and 1995, it almost doubled while total employment grew by less than 40 per cent over the same period.

This pattern of growth is a relatively recent phenomenon. Prior to the 1970s, the incidence of self-employment had been falling. Structural shifts in employment from agriculture, since farmers are often classified as self-employed, to manufacturing had cut self-employment numbers. However, since 1976, growth in self-employment has been steady and largely insensitive to economic cycles as shown in the following graphic.



Source: Computations by Ekos Research Associates Inc. based on published and unpublished Labour Force Survey data obtained from Human Resources Development Canada.

The increasing incidence of own-account self-employment (OASE) has been observed for both men and women, for all age groups, in all education groups (at least in the 1990s), in all regions (again at least in the 1990s) and in all industry and occupation groups except agriculture. During the 1990s, the largest increase in the incidence of OASE was reported in business services and construction. As for occupations, growth for self-employment has been greatest in construction and professional, sales and service occupations.

OASE incidence rises from eastern to western Canada. It is particularly high for those with little education but is also high for those with a post-secondary degree or certificate.

The profile of the typical self-employed worker is different than that of paid employees. The own-account self-employed are more likely to be male, older, married, and to some extent, to have no more than a high school diploma. Comparing across population sub-groups, OASE incidence rises with age and is higher among males than females.

This profile is shifting, as OASE growth is faster for women and youth than among men and older workers. It is also noteworthy that while younger people are still less likely to be self-employed than older people, they are actually more likely to state an interest in self-employment than older people.

The self-employed are most likely to be found in such occupations as agriculture, business services, and accommodation, food and other services, and to be in primary, sales, service and other professional occupations. The most common occupations for own-account self-employed women are in services - particularly hair dressing, child care, sales and bookkeeping - while those for self-employed men are in sales, carpentry, and truck driving.

Some observers note a qualitative change in the make-up of the self-employed. There are now greater numbers of higher-skilled managers and professionals among the self-employed. Many people interviewed for this study saw the managers and professionals now entering self-employment as more motivated and better able to succeed than many of their counterparts in the blue collar trades who used to dominate the self-employed ranks. There is a belief among those interviewed that, in today's labour market, the latter have fewer of the skills needed to survive as self-employed business persons.

Reasons for Growth

The general consensus is that employer practices such as downsizing and subcontracting have been mainly responsible for self-employment growth (though it is also suggested that outsourcing has levelled off). There is a much-reduced stigma that society now attaches to being laid off and to self-employment, since there are increasing numbers of people "in the same boat". Many of the growing number of self-employed managers and professionals have benefited from this factor.

Growth in self-employment over the last two decades can also be linked to the continuing growth of the service sector in Canada's economy, a sector in which self-employment opportunities are more numerous. However, there has been a general rise in self-employment in all sectors of the economy. Most observers agree that self-employment will continue to grow for all these reasons.

These factors have combined to increase both the "pushed" and "pulled" into self-employment, although there are diverging views on these motivations. The implication that people tend to be "pushed" into self-employment is supported by the statements of a number of professionals assisting self-employed that many of their clients would not have considered self-employment without the security of a severance package or a self-employment assistance benefit.

On the other hand, several respondents state that, though they were initially pushed into self-employment through situations such as loss of jobs through downsizing, they have come to enjoy "pull"-like aspects of their self-employment experience. In particular, they enjoy the independence, flexibility, and variety that self-employment offers. Commentators also identify technology, demography and the growth of niche markets as additional factors that encourage individuals to choose self-employment.

Job Quality

While there is no doubt that self-employment has contributed significantly to the *quantity* of new jobs, what about the *quality* of self-employed jobs? In considering this, it is important to recognize a fundamental division within the ranks of the self-employed. That division may help to explain the dichotomy that exists in our findings on many of the qualitative aspects of self-employment.

Among the self-employed, it has been observed that there are two major groups, each with different intentions and needs. One group consists of those whose aim is merely to earn a "decent" wage and typically not to expand their businesses. Another group expects to "grow" their businesses into larger enterprises. The former could be characterized as the truly own-account self-employed and the latter as employers. Research has shown that the own-account self-employed are less likely to be driven by a desire for independence than employers. Because they do not expect to expand their businesses, they have less significant capital requirements.

At first glance, the general data would suggest the job quality of the self-employed is lower than that of the paid-employed. Evidence suggests that the self-employed work longer hours than paid workers, that the self-employed earn only about two-thirds of what paid workers earn on a mean annual basis (a

gap that has closed since the mid-1980s) and that the self-employed have lower benefits coverage than the paid-employed. People with higher education are better paid when they are employed by an employer than when they are own-account self-employed. The data

also suggest, however, that own-account self-employed women have closed the earnings gap with their male counterparts faster than paid-employed women (see Table 1).

Table 1
Mean Annual Earnings of Full-Time Full-Year Workers, for the Own-Account Self and Paid Employed, by Sex, Current 1985 and 1995

	Own-Account Self-Employed			Paid Employed		
	1985	1995	1985-1995 Per cent Change	1985	1995	1985-1995 Per cent Change
Total	\$17,284	\$27,041	56.5%	\$25,300	\$36,792	45.4%
Males	\$18,803	\$29,335	56.0%	\$29,399	\$41,650	41.7%
Females	\$10,165	\$21,213	109.7%	\$19,175	\$30,353	59.1%
Female/male	54.1%	72.3%	—	64.9%	72.9%	—
OASE/paid	68.3%	73.5%	—	—	—	—

Source: Calculations by Ekos based on unpublished Survey of Consumer Finances data from Statistics Canada.

With respect to total income, self-employed unattached individuals earn much less and have a more polarized income distribution than families with a self-employed head. Reliance on self-employment rises with income level. But since at least 1987, dependence on self-employment income has diminished at all income levels - and particularly at the bottom and top quintiles. This has occurred despite the growing incidence of self-employment in Canada's economy.

These findings are open to question because of methodological and conceptual concerns with the underlying data. First, with regard to hours, it is not clear what hours worked really means for the self-employed. Does time spent on activities benefiting the business and not contracts *per se* constitute work hours? Second, with respect to earnings, the self-employed are able to write off expenses, which means that self-employment earnings may in reality be higher than they appear. Third, while some note that income is considerably lower for the self-employed, others point out that

commuting and clothing costs are lower for those who work at home. Fourth, the self-employed may realize capital gains through their efforts, a possibility not open to paid employees. These issues point to an inability to draw firm conclusions about the relative job quality, in financial terms, of the self-employed and the need for better data and further research.

Other aspects of job quality are the irregular income flow of self-employment and the nature of job security for the self-employed. Some experience a great deal of anxiety over the irregular income flow ("feast or famine") which makes credit and purchases of supplies and equipment difficult. Focus group participants complained about the long hours they have to put in to protect themselves against downtime. Others, despite the uneven income flow, enjoy the fact that their income is directly tied to their work effort. Those people are also more likely to believe that they have greater control over their job security. They feel that they can increase work effort to make up for downturns. Also, by having many clients they are not

“putting all their eggs in one basket”, and do not have to depend on the good fortunes of one employer.

Many self-employed people view the lack of employment benefits as a serious drawback. Few of the self-employed consulted realized there are private companies selling benefits at group rates to individuals. Also, many have the incorrect impression that few individuals have access to employer-provided pensions. Few of the self-employed consulted feel they put enough aside towards their own retirement in the previous year.

Other disadvantages of self-employment that people cited are isolation from fellow employees, a lack of training opportunities, negative attitudes of family and friends, and having to perform all tasks required of a business, including accounting, purchasing, debt collecting, researching and marketing.

Contradictions over the advantages of self-employment may be also attributable to the fact that many of the perceived benefits linked to “independence” and “control” are often more apparent than real. The self-employed often operate in situations where the client in effect becomes the boss, a state of quasi-employment.

Determinants of Success and Failure

The success or failure of any initiative at self-employment is the product of many factors, some more tangible than others. Some factors are linked to the essential aspects of operating any business, such as the start-up process, overall financing and the impact of technology. These exist in the context of the broader external circumstances that also affect businesses such as the state of the economy and particular markets.

Business startup is a challenge for many own-account self-employed people. This has many aspects. Marketing and promotion are difficult during the first year. A business plan that offers a concrete, well-researched vision of what the business will be and how it will succeed is valuable. However, few formally prepare for self-employment in terms of planning and training, relying instead on informal contacts. Of those who do prepare themselves, most are older and have been “pulled” into self-employment. They have acquired information about the advantages and disadvantages of self-employment, and have

looked into programs and resources that offer support to self-employment start-ups, such as mentoring and training programs.

The lack of capital and the difficulty in obtaining adequate financing are problems for many of the self-employed. Banks are reluctant to lend money to those perceived as high-risk, and who lack physical collateral. To some extent, this may be attributed to an inability to evaluate the human capital embodied in the own-account self-employed person, which is in effect his or her key business asset. For many self-employed people, personal savings, “nest eggs” and use of informal forms of credit such as loans from relatives or friends can be more common methods of financing.

Another aspect of financing is overall business expenditures. Many observers have noted the importance of tying personal and business spending, especially during the start-up period, to realistic expectations of income. They have emphasized the value of thrift such as the purchase of used equipment.

Technology is increasingly essential for any business, and this is equally true of the self-employed. Office technologies such as fax machines or personal computers, are important to the “knowledge workers” who are often ideal candidates for self-employment.

Practitioners and officers assisting the self-employed feel that there is potential for the Internet to provide information and open up business opportunities. The Internet is also seen as a way of overcoming isolation and lack of employer-provided training. It appears, however, that many self-employed people are unaware of this potential tool or, if they are aware, do not have the perseverance, know-how or focus to use it to find opportunities. It was also observed that the Internet is not necessarily useful for those whose business requires person-to-person contact.

The issue of person-to-person contact arises in a different way in terms of the growing reliance on informal networks among the self-employed. These networks have both economic and social value. Within them, the self-employed can take advantage of the camaraderie, contacts, and support provided by self-employed colleagues as well as the economies of scale in banding together on group discounted benefits packages, pensions and possibly overhead. Networking also allows the self-employed to address the social isolation that many of them feel.

Research for this study suggests that older workers who have come into self-employment from a traditional school system and a stable, longstanding employment relationship can be expected to have much more difficulty adjusting to self-employment than younger persons. That latter group consists of people who are products of an education system and a labour market which mentally prepared them for, and exposed them to “flexible” employment relationships, as opposed to an expectation of lifetime careers. Regardless of age and prior employment tenure, the impact of self-employment on higher-skilled, white-collar employees with greater capital and connections is likely to be more positive than on lower-skilled blue collar workers without those attributes.

Most research and the qualitative intelligence gathered in this study identify the fundamental importance of personal traits and actions by the self-employed to their success. Other identified determinants of successful self-employment include:

- **Personality:** displaying commitment, perseverance, “courage” and flexibility;
- **Expectations:** being reasonable about success of the enterprise, particularly in the first year when long hours and low income are distinct possibilities;
- **Job content:** doing something the person enjoys, is good at, exploiting the potential of niche markets, and in economic growth areas such as advanced technologies;
- **Skills:** having business skills acquired through previous employment and maintaining ties to the previous employer;
- **Training:** acquiring adequate training on the diverse skills that are needed to run a business.

Impacts

The impacts of self-employment are identified both in the literature and by focus group participants in this study. Self-employment is seen to have both positive and negative economic and social impacts, for individuals, the community and society at large. Many of the impacts identified are speculative, anecdotal, and otherwise unsubstantiated by quantitative evidence. This suggests areas for further research.

At a personal level, one could argue that the growing number of highly-skilled self-employed workers could have a positive impact on perceptions of self-employment. This could contribute to more growth, innovation and diversification for this type of employment.

At the labour market level, since the alternative for some of the self-employed might be unemployment, self-employment can help reduce dependence on social assistance and other transfers. It can also provide a “stepping stone” for workers going through life transitions such as school-to-work transition, part-time to full-time employment or vice versa, and workers moving from standard employment to enterprise development or semi-retirement. Finally, there is potential for employment generation to the extent that the own-account self-employed expand their businesses and hire employees.

At the community level, observers suggest that the growth of self-employment is leading to a number of changes in urban settlement and economic patterns. Among the changes observed are:

- greater numbers of people working at home;
- location and construction of residences in so-called “edge cities” away from downtown;
- less dependence on the core and relocation of other businesses into the edge cities to serve the business and family needs of the self-employed;
- less commuting, less car pollution and less need for public transportation;
- less restrictive zoning bylaws, permitting home-based businesses;
- construction or renovation of houses to include home offices;
- greater economic diversification of communities, with less dependence on a single, large employer.

A number of negative social and economic outcomes of self-employed growth are also cited, though evidence has not been produced to substantiate them. Thus the costs of self-employment are included among the research gaps listed below. Suggested costs include the following:

- the economic costs of more bankruptcies due to the high failure rate among the increasing numbers of self-employment businesses;
- increasing numbers of persons without disability and extended health insurance, pension coverage and training, for which workplaces have normally been the major source;
- the possible growth of “hidden” employment and erosion of the tax base through some, if not the complete, concealment of income;
- rising incidence of marriage breakdown, caused by more people working long hours, leading to increased family tensions; and
- the possibility of reduced social cohesion, or at least a less significant role for the workplace as a social centre, due to more people working in isolation.
- Because the self-employed typically are isolated, they often lack information regarding professional development, health, marketing opportunities, and advice;
- On the surface, the data indicate that, compared with the paid employed, working conditions of the self-employed are poorer in terms of wages earned and hours worked;
- Qualitative evidence indicates that benefits coverage and training opportunities are less for the self-employed.

To the extent that such hurdles result from market failures that could be alleviated, society would realize both efficiency and equity gains if they were eliminated or at least minimized. Efficiency gains would result from a reduction in the high bankruptcy rate of self-employment businesses, which could translate into increased employment and economic growth as well as lower dependence on public assistance. Equity gains could result from removing the disparities between the self-employed and paid employees (horizontal equity) and, possibly, between lower and higher income groups (vertical equity).

Any social benefits of government intervention would of course be accompanied by associated costs, such as the basic costs of administering programs. There might also be the dead-weight costs of funding something that the program client would have undertaken without government assistance (windfall). Empirical evaluation would be required to determine definitively whether the benefits of government intervention outweigh the costs.

Assuming that government intervention is a cost-effective means of overcoming barriers and reducing the high rate of self-employment market failures, what form should it take? There are different views on the best steps to take. Focus group participants and key informant interviewees offered several suggestions.

Lessons Learned

The evidence and comments from self-employed people and program experts suggest six lessons.

1. *Opportunities for government to support self-employment exist*

The research and the views of self-employment experts and of many self-employed people suggest that opportunities for government to support self-employment exist. A typical rationale for government intervention in most cases is market failure, where, for example, externalities, information gaps and intangible factors result in socially undesirable outcomes. Where such factors are identified, governments face the challenge of determining, based on social cost-benefit analysis, whether intervention might lead to outcomes that are more desirable.

Our review suggests various dimensions of market failure relating to self-employment. Self-employment hurdles suggested by respondents include the following:

- It is felt that the self-employed have inadequate access to financing, possibly because of irregular income flow and the fact that their chief business asset, their human capital, cannot be used as collateral;

2. *Some self-employed workers only want a better business climate*

Some suggest that the government should take a minimal role. They suggest it should do no more than provide a climate amenable to new and existing self-employment businesses, including relief from the paper burden associated with tax filing and other government processes.

3. *Some self-employed individuals want governments to play a more active role.*

They suggested a more interventionist role for government in support of self-employment, including:

- establishing unemployment and disability insurance funds for the self-employed;
- overcoming lack of bank financing by making capital more easily available or, at least, persuading banks to lend more money to the self-employed;
- alleviating the high failure rate for the self-employed by providing more information and training to prepare individuals for self-employment;
- providing training in Internet skills and other technologies to help the self-employed access training and market opportunities, as well as providing information about learning opportunities using technologies;
- providing advice and mentoring for those who are already self-employed to offset the isolation in which they typically work;
- increasing awareness of the network supports for the self-employed - particularly companies selling group benefits - savings from pooling resources with other self-employed individuals, and joining pools of self-employed individuals; and
- filling research gaps that would contribute to more effective policy and would help prospective and existing self-employed people prepare for the future.

4. *Programs should recognize diversity*

Any government actions should recognize the diversity within the target population. The self-employed represent a client group with widely diverging characteristics, skills, expectations, and, therefore, needs. The division between the truly self-employed who are interested only in earning a decent living and the "employers" who may need capital for expansion purposes that was noted at the beginning of this study is one element of diversity.

5. *Young people and older people have different self-employed expectations and needs*

Another source of diversity is age and experience. Government should be cognizant of the fact that younger people may be better able to sustain the self-employment experience because they have up-to-date skills, are more amenable to a challenge and have greater interest in self-employment. Older workers with outdated skills, on the other hand, who have been in a traditional employment arrangement for some time, may be in greater need of assistance, despite their greater connections, life skills and capital. Similarly, those coming from layoff situations who have been in management and professional positions are probably better equipped, have greater motivation and connections (informal networks), and therefore have less need for help than those in blue collar occupations.

6. *Gaps exist in our knowledge of self-employment*

A number of research gaps were identified by the key informants and through the overall data gathering process. The following are some of the most important issues requiring further research to help address questions regarding success factors in self-employment and the proper role of government:

- ***Push-pull motivations:*** To what extent are the self-employed divided into two groups with different characteristics and motivations? The first group is represented by those who may have been forced into self-employment through layoff and who are content to earn a decent living without expanding their business. Many from that group might also have gone the self-employment route because they wanted time to care for children or elderly parents, to continue their learning or supplement family income. The second group is composed of those who have willingly entered self-employment in search of independence and entrepreneurship, have expansion plans and thus the potential for employment generation.
- ***Transitions into self-employment:*** What are the effects of transition of employees into self-employment, on the individual, and in terms of the resulting changes in wages, benefits and occupation?

- **Self-employment exits:** What are the circumstances of, and factors associated with, the failure of and repeated re-entry into self-employment - in terms of the length of the self-employment tenure, the characteristics of the individuals and their businesses, their activities prior to and during the experience, and the role played by external factors such as the economy, the market, and the banks?
- **Advantages:** To what extent are flexibility, independence and control more perceived than real among the self-employed, and to what extent does this depend on the characteristics of the individuals and their reasons for joining the ranks of the self-employed?
- **Success factors:** To what extent does success depend on the motivations, activities and characteristics of the person, and to what extent do outside factors such as government, banks, markets, and the economy matter?
- **Employment benefits and training:** What is the impact on the self-employed of the lack of workplace-based employment benefits such as insurance and training? How do they overcome this lack, whether on their own (self-financed), through an employed spouse, through organizations or networks, or through companies that sell group plans to self-employed persons?
- **Hours and wages:** What do these mean for the self-employed and the quality of the jobs the self-employed occupy?
- **Financing:** To what extent do the self-employed need, and have difficulty in obtaining, capital? What are the reasons for that difficulty, and the extent to which they rely on alternative sources of income such as friends and family (other than themselves, banks and government) for start-up, expansion and slow periods?
- **Sources of income:** Why has the incidence of self-employment risen while self-employment has declined as a source of income?
- **Networks:** To what extent do the self-employed make use of informal and formal networks to overcome the lack of connection to a workplace, by getting business contacts, bartering services,

saving on overhead, and participating in discounted benefits packages?

- **Self-employment organizations:** What are their numbers, the services and quality of services that they offer? Is there a need for standards in the services offered and how useful are they in helping the self-employed overcome the barriers associated with self-employment, such as lack of training, information, and employment benefits? Is there a possible role for government in support of these organizations?
- **Impacts of self-employment:** What are the overall social and economic impacts of self-employment in terms of the level of benefits coverage, human capital development, the cost of bankruptcies, social cohesion, family breakdowns, and the erosion of the tax base?
- **Quasi-employment:** To what extent is self-employment effectively paid employment, as is the case where a nominally independent contractor has a long-term arrangement with a single client who provides most of his or her business? What are the implications of such arrangements for tax policy? This is really a problem of definition: when is a self-employed person self-employed in the eyes of the law?
- **Impact of public policy:** What are the impacts of public policy on the self-employed, in terms of assisting and encouraging self-employment, taxation, and coverage under social security and training programs, employment standards, and freedom of association?
- **Hidden employment:** To what extent do the self-employed work in the black market, and what are the implications for the tax base?

Sufficient information is not now available to fill many of these research gaps. The longitudinal Survey of Labour Income Dynamics captures employment transitions, but currently suffers from insufficient sample size for analysing paid-to-self-employment transitions. It also does not yield data permitting an examination of the job quality of the self-employed. Tax files also have potential, but suffer from an inability to provide information on transitions in any detail in terms of short-duration self-employment and the reasons for entry and exit, among other issues.

Conclusions

This "Lessons Learned" study allowed us to gain a better understanding of own-account self-employed individuals in Canada. We have improved our grasp of self-employment issues, including the self-employed profile, the trends and reasons for growth, the job quality, the determinants of success and failure, the impacts, and the lessons to be learned.

As with other studies in the Lessons Learned series, by expanding our knowledge of self-employment in Canada, we can improve public policies and programs that affect or support the self-employed. As we learn more, we can make informed decisions that will benefit self-employed workers, our labour market and our economy.

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THEMATIC REPORT: WORKSHOP ON PRIVATE PENSIONS PLANS

*Laurent Quintal
Strategic Policy and Partnerships
Labour Program, Human Resources Development Canada*

1 – Summary

The recent debate on public pension plan reform drew attention to the retirement income system in Canada, and to the role of governments, employers and individuals within this system. Canada is facing major structural changes, and it is clear that the country's public and private pension systems will face a variety of challenges in the years ahead.

Job and income security, the need to balance work and personal responsibilities, access to private and public benefits, and ways of sharing the results of productivity gains are all issues of concern to Canadian workers and their families. As the baby boom generation begins to turn 50, a growing segment of the population is taking a much more serious look at the problem of retirement.

A number of emerging trends will likely have a positive impact on retirement incomes. The increase in women's labour force participation should mean that more women receive larger pensions when they retire. Recent legislative changes related to vesting, locking-in of contributions, and portability should enable more workers to receive benefits when they retire. Also many retirees should benefit if private and public pension plans are adjusted to reflect the growing desire for a gradual transition from full-time employment to full retirement.

However, other trends suggest that future pensions may be inadequate for a growing number of workers.

These include: the fact that over half of private sector workers do not participate in private pension plans; the development of defined contribution plans to the detriment of defined benefit plans, and the growing proportion of workers who are hired on fixed-term contracts, or for part-time positions.

In principle, it would appear desirable to increase the level of income available to Canadian retirees. However, discussion at the Workshop on Private Pension Plans showed how difficult it will be to reach consensus on specific solutions. As indicated later in this report, there were clear disagreements between those participants who called for greater reliance on private pension plans, and those who favoured increased coverage through the Canada and Quebec Pension Plans (CPP and QPP).

For the future, participants stressed the need to educate employers and employees about the issue of retirement security, and recommended placing pensions policy within the context of the broader social security system. It was also suggested that there be a mechanism to involve all the interested parties in discussions of these issues.

The panel sessions and small group discussions that took place during the 1½-day Workshop generated useful insights on the options available for ensuring workers' economic security after they retire. In this respect, the event made a valuable contribution to the work of Human Resources Development Canada, aimed at improving security for certain classes of workers and supporting the adoption and spread of innovative workplace practices in Canada.

The views and opinions expressed in this document are those of Workshop participants, and do not necessarily reflect the position of the Labour Program, Human Resources Development Canada. For further information, contact Laurent Quintal at Fax: (819) 953-0227 or Internet: laurent.quintal@hrdc-drhc.gc.ca

2 — Introduction

Influenced by simultaneous shifts in the participant work force and the nature of available employment options, the structure of the Canadian labour market is currently undergoing a significant transformation. In 1996, approximately 32 per cent of the working-age population was between 45 and 64 years of age. This percentage is expected to rise to 44 per cent in 2016. Not only is the labour force aging, but also the proportion of "standard", full-time, long-term jobs is decreasing while non-standard work arrangements (part-time work, contracts, self-employment and multiple jobholding) are increasing. For some workers, these forms of employment do not provide sufficient financial security because their work is short term, non-permanent, non-unionized, and low-wage. This financial insecurity is expected to extend into retirement since these workers are far less likely to be covered by an employer pension plan or group RRSP than employees who have been working in permanent, full-time, high-wage positions in larger firms for many years.

The issues surrounding the provision of retirement plans are important in their own right. However, they have received even greater attention in light of the changing Canadian labour market. Workers covered by private pension plans are generally assured of a more satisfactory standard of living in retirement than those reliant on the public system alone. The successful combination of complementary public and private systems works to the ultimate benefit of the retired worker.

In recognition of the importance of private pension plans to the retirement of Canadian workers, the Labour Program of Human Resources Development Canada (HRDC) initiated a discussion workshop, aimed at gaining a better understanding of the conditions that encourage or hinder the creation of pension plans in the private sector. The Workshop further endeavoured to identify mechanisms that could improve portability of private pension plans. This Workshop represents the first phase of a meaningful discussion on the issue of private pension plans.

To this end, the Labour Branch invited representatives of various backgrounds and affiliations in order to cultivate a more comprehensive understanding of the pensions issue and encourage the expression of divergent viewpoints. Participants included

government representatives, policy analysts, economists, union members, insurance industry representatives, actuaries, self-employed workers and a small number of private sector employers.

The 1½-day Workshop was designed to create an environment conducive to the generation of new ideas through a combination of roundtable presentations, discussion panels and smaller group workshops. Participants were challenged to identify areas warranting further research as well as potential strategies that would broaden the accessibility of pension benefits.

An examination of the resulting discussion reveals the three central schools of thought which informed the Workshop. While some issues are not easily contained within this general framework, the main groupings can be described as:

- A more collectivist view, in which pension adequacy is seen as a societal concern;
- A free market philosophy, in which pension planning is considered to be a matter of personal initiative and responsibility;
- The self-employed standpoint.

Challenges to the implementation of private plans, areas for further research and future directions flow from these principal issues.

3 — Background

The main purpose of a private pension plan is to provide retirees with a better standard of living than they would have had under the public plan alone. In general, a pension is considered adequate if it allows an individual to stop working at a particular age without lowering his or her standard of living.

Ideally, an adequate retirement income would enable low-income Canadians (those earning less than 50 per cent of the average wage) to replace nearly all their net wages, after deductions for income tax and social security. Canadians with above-average incomes would replace between 70 per cent and 85 per cent of their net salary. Some workers, however, are not nearly as well-positioned to maintain a solid financial footing after they retire.

Registered workplace pension plans and group Registered Retirement Savings Plans (group RRSPs) are considered by many to be attributes of a "good job". The plans are a basic component of employee compensation and security. They are also a major component of retirement income, supplementing the basic coverage provided by federal and provincial pension plans.

In 1995, excluding full-time students, 55 per cent of paid workers were entitled to a workplace pension plan or group RRSP. Pension coverage in the public sector was fairly complete, at 85 per cent. However, only 48 per cent of the private sector work force contributed to an employer-sponsored plan.

Adequacy of pension coverage tends to be a serious issue for those workers whose day-to-day finances are least secure. Independent, short-term, temporary, part-time, non-unionized, low-wage earners working for smaller firms are much less likely than other workers to be covered by an employer pension plan or group RRSP.

4 — Collectivist View

Some panelists and participants argued that pensions are just one part of the larger income security system, so that private pensions are an even smaller piece of a much larger puzzle. The key challenge is to decide the appropriate balance between public and private pensions, and between collective and individual responsibility for retirement incomes.

Given the recent changes to public pensions, it may be very difficult to ensure income security for future retirees. Furthermore, it may be naive to think that pension coverage can be improved simply by encouraging employers to learn about best practices. The momentum in favour of individual rather than collective responsibility is reflected in the emphasis on group RRSPs as a replacement for defined benefit plans, as well as growing pressure to deregulate private pension plans.

When the CPP and QPP were set up in 1966, it was expected that it would be combined with private plans in order to provide for retirement income, with private plans making up the majority of that income. But this hasn't been the case, and participants in this workshop took the opportunity to discuss the role of private pensions:

- Some participants suggested that the decline in the number of private pension plans represented an erosion in the sense of shared responsibility that underpinned the original CPP/QPP and Old Age Security (OAS) system. On one hand, private sector employers aren't providing access to private pension plans to fill the retirement income gap for many employees. On the other hand, there was never a legal obligation for employers to do so under federal or provincial/territorial law.
- The possibility of mandatory pension plans was addressed by an Ontario Royal Commission in 1979, but the suggestion was widely rejected. Due to high administrative costs and other impediments associated with implementing private plans, it is unlikely that mandatory plans would be accepted now.
- In the future, it is anticipated that Canadians will rely more heavily on the public system, RRSPs, or a combination of both. This expectation reflects an aging work force, as well as an anticipated reduction in the accessibility of pensions due to public and private sector downsizing.
- Other participants noted that, although complex legislation is a barrier to the private sector's establishment and maintenance of pension plans, it is important to recognize that the legislation was developed to protect workers' investments. Any efforts to simplify legislation for the benefit of employers must also retain protection for workers.
- There were strong objections to the notion of allowing an additional voluntary contribution option for the CPP and QPP. This option would result in a discriminatory, inequitable, two-tiered system, contrary to the plan's founding principle of universal access. As one participant expressed it, "If someone can afford to make additional contributions, why would they not make them to a private RRSP?"
- The current trend toward defined contribution plans over the traditional defined benefit plans reveals a shift in consumer attitudes. In defined contribution plans, such as the plan for Quebec's artists administered by the Union des Artistes, workers accept the risk inherent in allowing the value of their pensions to vary according to the return on the fund's investment. Employers often prefer this sort of plan, but benefits received upon retirement

vary according to interest rates and other factors. Defined contribution plans benefit regular contributors, but workers who contribute irregularly (often due to short-term jobs) are the losers.

- The increasing popularity of group RRSPs is not without certain drawbacks. The return on investment tends to be smaller with this option, since individuals are often inclined towards more conservative investments.
- Defined benefit plans, by contrast, are mandatory and ensure equitable benefits for all contributors. This works best for employees who want to stay within one organization, and who can anticipate an upward career path. Elementary and secondary school teachers are among the occupational groups whose pension plans guarantee the level of retirement income, with the implied risk shared by the employer. However, the obligatory membership, higher costs, and reduced portability associated with defined benefit plans have decreased their popularity among employers and many workers.
- The issue of portability is especially important for younger members of the labour force. In today's labour market, younger workers often find themselves in a series of short-term positions. Portable plans ensure that any pension contributions, however short the employment term may be, are not lost.

Recommendations

- In some sectors, multi-employer plans have enjoyed some success, equitably distributing costs and benefits over a larger number of employers. To date, the success of multi-employer plans has been limited to unionized environments. Extending these plans to non-unionized environments poses some distinct challenges: the competitive, non-cooperative marketplace is ill-suited to collaborative efforts. The task is complicated by the diversity of the sector: "non-standard workers" includes a large variety of individual workers with specific employment situations and different needs. Despite these challenges, however, such a strategy warrants further research.
- There is a great need for unbiased and realistic information in order to enable workers to make informed choices. Some current advertisements for RRSPs are misleading; RRSPs do not

guarantee income for retirement. Similarly, the reported gains are based on annual contributions of a consistent amount each year, which does not reflect common savings patterns. This need for education also extends to the increasingly popular defined contribution plans; while these plans provide greater flexibility, they do not *guarantee* an adequate pension. Workers require access to clear and objective information to find the plan most suited to their individual needs.

- Further efforts should be made to explore the role of unions in improving access to private benefits for non-standard workers, and for workers in small and medium-sized businesses who may receive lower wages. Consideration should be given to models such as the Fédération des travailleurs du Québec (FTQ) which is considered an example of a well-functioning partnership.
- Before more work is done on the issue, the great diversity of non-standard work and the variety of employment situations currently categorized as "self-employment" must be recognized. Not all workers have common interests. It will be important to find methods to unite the largely diverse population of self-employed workers for pension purposes.

5 — Free Market View

Some panelists started out with the assumption that there is no problem with access to pensions in Canada. They pointed out that RRSP coverage is available to anyone who wants it, although there was a strong recognition by participants that RRSPs are not in themselves a guarantee of an adequate retirement income.

In relation to workplace pensions, the debate continues over the relative merits of *defined benefit* plans, in which retirement income is determined by years of service and often by earnings history; and *defined contribution* plans, where the value of a pension is set according to the funds and interest available when an individual retires. While defined benefit plans make the most sense from an actuarial standpoint, defined contribution plans appear to be popular with younger employees, professionals, and employers.

For some participants, the emphasis on a continuum of private pension options reflected an overall

philosophy that placed the primary responsibility for retirement security on the individual. While public plans should be available for anyone who cannot secure a private plan, they argued that Canadians must be prepared to educate themselves about their pension options and make appropriate sacrifices to ensure a better future.

The following points emerged in the course of the Workshop:

- Participants noted that government transfers (public pension plans) are not designed to provide complete income support in retirement, and that retirees need other sources of income.
- At the same time, there is no single answer to the question of how much the average Canadian should save in order to maintain his/her living standard following retirement. The appropriate figure depends on employment, since the percentage of income replaced under public plans decreases as income rises. For example, a single Quebec resident with no savings and gross annual earnings of \$20,000 (net: \$14,500) would receive \$14,200 from CPP/QPP and the Senior's Benefit, representing 98 per cent of disposable pre-retirement income. An individual with a gross income of \$30,000 (net: \$20,000) would receive \$15,300 per year, representing 76 per cent of pre-retirement income.
- Participants concluded that retirement before the age of 65 is generally not possible for private sector workers, although some of the larger pension plans may offer sufficiently generous benefits. The same is true for self-employed workers, who generally save through RRSPs.
- Participants also noted that companies operating in more than one province or territory face a major administrative burden, since each jurisdiction has its own pension regulations and the complexity of these regulations can make plan administration extremely costly.

Recommendations

- Research could be undertaken to identify more precisely those who need a private pension plan. Given the replacement ratio of the public system, lower income earners may not require additional

retirement revenue in order to maintain their pre-retirement standard of living.

- Workers need to be educated as early as possible on the benefits of deferring consumption in favour of savings; it is in their best interest to budget for long-term rewards. Although responsibility is largely individual, the government should take an active role in investment education and provide tools for public self-education. In addition, the tax system could help create an environment that encourages retirement savings. A coordinated educational effort would allow informed consumers to make responsible choices.
- Small businesses and self-employed workers often cannot afford defined benefit plans. Further investigation into new ways of providing these plans to small groups is needed.
- Small businesses should be directly consulted in order to find ways to provide access to private pension plans.
- Consideration must be given to methods of reducing the costs of implementing private plans for small businesses. One option would be to simplify the legislative requirements in the ten different pieces of legislation to reduce the administrative costs to employers. A single set of rules with uniform administrative costs may prove beneficial to stimulating pension plan sponsorship. Moving toward self-regulation is another option. Changes which may relieve the administrative and fiscal burden of plan implementation merit further attention.

6 — Self-Employed Standpoint

A portion of the Workshop focussed on the unique challenges faced by self-employed workers, many of whom are deeply concerned about the security (if not the very existence) of their retirement income. Participants from this workshop stressed that pensions fit into a hierarchy of needs, and workers must feel secure in their earnings before they will consider setting aside a pension. Since self-employed workers often earn less than salaried employees, they accumulate smaller pensions and are more likely to have to withdraw their savings before they retire. This underlying fact is integral to the basic issue facing self-employed workers; many simply do not have the money necessary to contribute to a plan.

They commented that:

- There is no single solution to the pension and retirement challenges facing self-employed workers, since the sector itself is so varied and difficult to define. Some are part-time workers, others are contractors; some are temporary or term employees. There is a further distinction between voluntary and involuntary self-employed workers. Some choose to be self-employed and enjoy financial success; many others are forced into self-employment and earn very little income.
- Current analysis of the self-employed work force is based on employment status rather than individual circumstance. This may not reveal the needs of self-employed workers, given the number of atypical work situations. Not all self-employed workers need a group pension plan, since many are satisfied with their current investment options.
- While the focus of the Workshop was limited to the pensions system, self-employed workers cited the broader social security system as an obstacle to pension savings for the self-employed. For example; self-employed workers have no access to employment insurance, so that they may have to cash their RRSPs to meet immediate survival needs during periods of unemployment.
- Self-employed workers also believe that the tax structure contributes to their not contributing to private plans. Self-employed workers pay both the employer and employee contributions to CPP/QPP; however, they do not receive twice the benefit. This double expenditure means that less income is available to contribute to a private plan.
- The trend toward privatization of pension plans may not be a universally beneficial solution. The incidence of non-standard work and self-employment is on the rise, so the existing public system needs to be adapted to reflect a changing work force, and allow for a high degree of flexibility to meet the needs of a highly diverse group of self-employed workers.

Recommendations

- Sectoral and multi-employer plans warrant further investigation. One example that could be considered a model were initiated by ACTRA (Alliance of Canadian Television and Radio Artists) and the Union des Artistes in the cultural sector.

These plans are especially suited to self-employed workers who have a fluctuating income since they are designed to accommodate flexible contributions. Montreal taxi drivers have achieved similar success through their collaboration. Individuals should be encouraged to organize, whether through unions or other means, in order to carry more clout when setting up plans.

- The possibility of adopting generic pension laws, such as Quebec's *Loi sur le statut des artistes*, merits further consideration. These laws would ensure the provision of private pension plan coverage, sick pay and other benefits to self-employed workers in certain economic sectors.
- It would be useful to undertake more consultations with self-employed workers themselves before any further action. Those who are directly affected by these issues can represent their case best.
- Methods to facilitate saving must be adapted and/or developed for low income workers who are often involuntarily self-employed.

7 — Current Challenges to the Implementation of Private Plans

The principal barrier to employer sponsorship of private plans is the financial burden involved. Administrative costs are simply too high for many small businesses interested in providing a plan for their employees. Smaller businesses often lack the financial resources to set up a plan. The complexity of pension legislation further impedes plan implementation, dissuading employers lacking infrastructure, experience and knowledge.

Self-employed workers encounter different but equally daunting challenges with regard to pension plans. The pervasive lack of organization among non-unionized, self-employed workers impedes the progress that could be attained by the collective power of a larger, more unified group. Assembling such a diverse group for any purpose is a difficult task.

Many Canadians believe that the CPP and QPP are set up to provide for them in their retirement years. Until their financial prospects are portrayed realistically, not all workers will be motivated to pursue private plans.

Finally, the lack of a detailed needs assessment may be distorting the actual situation of non-standard workers. Non-standard workers must be invited to speak on their own behalf in order to better assess their needs and identify methods to assure them an equitable and financially secure future.

8 — Future Directions

The accessibility of private pension plans can be improved through coordination and innovation on a large scale. This Workshop initiated what will likely become a more comprehensive debate, a discussion leading to action. Possible areas for action include:

- *The implementation of education strategies.* The Workshop identified a great need for education with regard to retirement security for all members of the labour force; employers and employees.
- *A review of the larger social security context.* Non-standard workers are affected by every part of the social security system and should be accommodated accordingly. Pensions cannot be discussed outside the overall context of social security.
- *A mechanism to enable full discussion.* Participants noted that there is no mechanism where all the parties can exchange views on the access to and design of pension plans. It was suggested that a mechanism be developed, and that debate around pensions include federal and provincial governments, private sector providers, employers, employees, and self employed to discuss both private and public pension arrangements.

SELECTION OF RECENT CHANGES IN CANADIAN LABOUR LAWS

Adopted Bills, Regulations and other Statutory Instruments

Strategic Policy and Partnerships

Labour Program, Human Resources Development Canada

Federal: Ontario Hydro Nuclear Facilities Exclusion from Part I of the Canada Labour Code Regulations (Industrial Relations) under the Canada Labour Code; SOR/98-179 published in the Canada Gazette, Part II, of April 1, 1998

Effective April 1, 1998, these Regulations have excluded employment on or in connection with a Ontario Hydro nuclear facility from the application of the industrial relations provisions of Part I of the *Canada Labour Code*.

The Regulations incorporate by reference Ontario legislation on industrial relations (i.e. the *Labour Relations Act, 1995*, with some modifications, and pertinent regulations as well as rules of procedure made by the Ontario Labour Relations Board). They apply to nuclear facilities owned or operated by Ontario Hydro and subject to the *Atomic Energy Control Act* and regulations made under it.

Federal: Ontario Hydro Nuclear Facilities Exclusion from Part II of the Canada Labour Code Regulations (Occupational Health and Safety) under the Canada Labour Code; SOR/98-180 published in the Canada Gazette, Part II, of April 1, 1998

Effective April 1, 1998, these Regulations have excluded employment on or in connection with a Ontario Hydro nuclear facility from the application of the occupational health and safety provisions of Part II of the *Canada Labour Code*.

The Regulations incorporate by reference the Ontario *Occupational Health and Safety Act* (R.S.O. 1990, c. O.1, with some non applicable provisions) and any regulations made under it, as amended from time to time, with a few modifications being made to the Act and regulations. They apply to nuclear facilities owned or operated by Ontario Hydro and subject to the *Atomic Energy Control Act* and regulations made under it.

Federal: Ontario Hydro Nuclear Facilities Exclusion from Part III of the Canada Labour Code Regulations (Labour Standards) under the Canada Labour Code; SOR/98-181 published in the Canada Gazette, Part II, of April 1, 1998

Effective April 1, 1998, these Regulations have excluded employment on or in connection with a Ontario Hydro nuclear facility from the application of the labour standards provisions of Part III of the *Canada Labour Code*.

The Regulations incorporate by reference the Ontario *Employment Standards Act* (R.S.O. 1990, c. E.14, except for Part X "Benefit Plans") and any regulations made under it, as amended from time to time (a modification to the Act and regulations is specified). They apply to nuclear facilities owned or operated by Ontario Hydro and subject to the *Atomic Energy Control Act* and regulations made under it.

Federal: Ontario Hydro Nuclear Facilities Exclusion Regulations (Use of Tobacco) under the Non-smokers Health Act; SOR/98-182 published in the Canada Gazette, Part II, of April 1, 1998

Effective April 1, 1998, these Regulations have excluded employment on or in connection with a Ontario Hydro nuclear facility from the application of the provisions dealing with protection against tobacco smoke contained in the *Non-smokers' Health Act*.

The Regulations incorporate by reference the Ontario *Smoking in the Workplace Act*, as amended from time to time, with a modification being made. They apply to nuclear facilities owned or operated by Ontario Hydro and subject to the *Atomic Energy Control Act* and regulations made under it.

**British Columbia: Amendment to the *Employment Standards Regulation* under the *Employment Standards Act*; British Columbia Regulation 5/98
Gazetted January 13, 1998**

This amendment to the *Employment Standards Regulation*, that took effect on January 9, 1998, stipulates that the *Employment Standards Act* does not apply to newspaper carriers enrolled in, or on vacation from, a primary or secondary school and employed in that capacity for 15 hours a week or less. The Regulation continues to specify that the provisions of the Act on hours-of-work notices, split shifts, minimum daily hours and hours free from work do not apply to other persons employed as newspaper carriers for 15 hours a week or less.

Quebec: *An Act respecting the negotiation of agreements concerning the reduction of labour costs in the municipal sector*; Bill 414 assented to March 12, 1998

Effective March 12, 1998, this Act does not apply in respect of employees covered by a new collective agreement entered into by the parties after March 25, 1997. However, the Act applies in respect of employees covered by such a collective agreement if an agreement in principle was reached on its stipulations before that date, if the parties have agreed in writing on subsequent negotiations on a reduction of labour costs or if such a collective agreement expired before January 1, 1998. Furthermore, it does not apply in respect of employees covered by an agreement on the reduction of labour costs entered into since that date between the association of employees representing them and the municipal body.

The Act has established mechanisms for the settlement of disagreements between municipal bodies and associations representing their employees

concerning the cutback measures that must be taken to reduce the labour costs of the municipal bodies by not more than 6% from the fiscal year 1998. The provisions of the Act are applicable to municipal bodies that adopt a resolution to avail themselves of those provisions within the prescribed time. The Act also provides for the reduction of the remuneration of elected officers of these municipal bodies and for a reduction in labour costs related to management personnel and other employees of the municipal bodies.

Where a resolution is adopted, any disagreement between the municipal body and an association certified to represent its employees is to be referred to a mediator-arbitrator appointed by the Minister of Labour. Under the Act, the parties are required to make a final proposal concerning cutback measures. The measures proposed may relate to changes to the conditions of employment provided for in a collective agreement, but may not alter wage rates or salary scales. As regards pension plans, a proposal may concern the allocation of surplus assets to the payment of contributions or changes to the provisions relating to contributions.

If the parties fail to reach an agreement within the allotted time, the mediator-arbitrator proceeds with arbitration, and chooses, without amending it, the proposal that is in conformity with the law and appears to him/her to be the more likely to ensure that the reduction objective fixed is achieved, giving proper consideration to equity.

The Act contains specific provisions and amending provisions that reflect the agreements entered into on the reduction of labour costs as regards the use of the actuarial gains of the pension plans of the city of Montréal and the pension plan of the city of Québec.

SPECIAL FEATURE: SELECTED EMPLOYMENT STANDARDS PROVISIONS IN CANADA

Subjects	Jurisdictions				
	Federal	Alberta	British Columbia	Manitoba	New Brunswick Newfoundland
Hours of work and Overtime pay	Maximum: 48 in a week. Overtime at 1½ times the regular rate after 8 in a day and 40 in a week.	Maximum: 12 in a day. Overtime at 1½ times the regular rate after 8 in a day and 44 in a week.	No maximum. Overtime at 1½ times the regular rate after 8 in a day and 40 in a week, and at 2 times the regular rate after 11 in a day and 48 in a week.	No maximum. Overtime at 1½ times the regular rate after 8 in a day and 40 in a week. Employees can refuse to work any overtime after these hours.	No maximum. Overtime at 1½ times the minimum wage after 44 hours in a week.
Minimum wages	Same as general adult minimum wage rate in each provincial or territorial jurisdiction.	Generally: \$5.00 per hour (01/04/92). Under 18 attending school: \$4.50 per hour (01/04/92).	Generally: \$7.15 per hour (01/04/98).	Generally: \$5.40 per hour (01/01/96).	Generally: \$5.25 per hour (01/04/97).
Annual vacations with pay (Length of employment is with the same employer.)	Two weeks with 4% of earnings; Three weeks after 6 years with 6% of earnings.	Two weeks with 4% of earnings; Three weeks after 5 years with 6% of earnings.	Two weeks with 4% of earnings; Three weeks after 5 years with 6% of earnings.	Two weeks with regular pay; Three weeks after 4 years with regular pay.	Two weeks with 4% of earnings. Three weeks after 15 years with 6% of earnings.
General holidays with pay	New Year's Day Good Friday Victoria Day Canada Day Labour Day Thanksgiving Day Remembrance Day Christmas Day Boxing Day	New Year's Day* Alberta Family Day* Good Friday* Victoria Day* Canada Day* Labour Day* Thanksgiving Day* Remembrance Day* Christmas Day* Boxing Day	New Year's Day Good Friday Victoria Day Canada Day Labour Day Thanksgiving Day Remembrance Day Christmas Day British Columbia Day	New Year's Day Good Friday Victoria Day Canada Day Labour Day Thanksgiving Day Remembrance Day Christmas Day	New Year's Day Good Friday Memorial Day Labour Day Christmas Day

* means no requirement that employees be paid if they are not normally scheduled or required to work on that day

Northwest Territories	Nova Scotia	Ontario	Prince Edward Island	Quebec	Saskatchewan	Yukon Territory
Maximum: 10 in a day and 60 in a week. Overtime at 1½ times the regular rate after 8 in a day and 40 in a week.	No maximum. Overtime at 1½ times the minimum wage after 48 in a week.	Maximum: 8 in a day and 48 in a week. Overtime at 1½ times the regular rate after 44 in a week.	No maximum. Overtime at 1½ times the regular rate after 48 in a week.	No maximum. Overtime at 1½ times the regular rate after 43 in a week (to be reduced to 40 by October 1, 2000).	Maximum: 44 in a week unless the employee agrees otherwise. Overtime at 1½ times the regular rate after 8 in a day and 40 in a week.	No maximum. Overtime at 1½ times the regular rate after 8 in a day and 40 in a week.
Generally: \$6.50 per hour; and \$7.00 per hour in areas distant from the highway system. (01/04/91). Under 16: \$6.00 per hour; and \$6.50 per hour in areas distant from the highway system. (01/04/91).	Generally: \$5.50 per hour (01/02/97)	Generally: \$6.85 per hour (01/01/95). Students under 18 working no more than 28 hours in a week or during a school holiday: \$6.40 per hour (01/01/95).	Generally: \$5.40 per hour (01/09/97).	Generally: \$6.80 per hour (01/10/97).	Generally: \$5.60 per hour (01/12/96).	\$7.06 per hour (01/04/98) \$7.20 per hour (01/10/98).
Two weeks with 4% of earnings;	Two weeks with 4% of earnings.	Two weeks with 4% of earnings.	Two weeks with 4% of earnings.	Two weeks with 4% of gross wages;	Three weeks with 3/52 of earnings;	Two weeks with 4% of earnings.
Three weeks after 5 years with 6% of earnings.				Three weeks after 5 years with 6% of gross wages.	Four weeks after 10 years with 4/52 of earnings.	
New Year's Day Good Friday Victoria Day Canada Day First Monday in August Labour Day Thanksgiving Day Remembrance Day Christmas Day	New Year's Day Good Friday Canada Day Labour Day Remembrance Day* Christmas Day	New Year's Day Good Friday Victoria Day Canada Day Labour Day Thanksgiving Day Christmas Day Boxing Day	New Year's Day Good Friday Canada Day Labour Day Christmas Day	January 1 st Good Friday* (or Easter Monday*) Dollard Day* (i.e. Victoria Day) National Holiday July 1 st Labour Day* Thanksgiving Day* December 25*	New Year's Day Good Friday Victoria Day Canada Day Labour Day Thanksgiving Day Remembrance Day Christmas Day Saskatchewan Day	New Year's Day Good Friday Victoria Day Canada Day Discovery Day Labour Day Thanksgiving Day Remembrance Day Christmas Day

* means no requirement that employees be paid if they are not normally scheduled or required to work on that day

Note: More detailed information on these employment standards is provided on the Internet at the following address: <http://labour.hrdc-dfrc.gc.ca> under the heading "Canadian Labour Law Information".

YESTERDAY AND TOMORROW

Workplace Information Directorate: 98 years young and still learning!...

Jane Hansen
Legislative Consultant
Labour Standards Policy and Legislation
Labour Program, Human Resources Development Canada

Following the establishment of the Department of Labour under the authority of the *Conciliation Act* of 1900, Postmaster General William Mullock, the Minister responsible, offered William Lyon Mackenzie King the editorship and management of the *Labour Gazette*. Mr. Mackenzie King, a journalist by profession, accepted the challenge thus becoming Labour's first employee.

The *Act* reads, in part:

"With a view to the dissemination of accurate statistical and other information relating to the conditions of labour, the Minister shall establish and have charge of a Department of Labour, which shall collect, digest and publish in suitable form statistical and other information relating to the conditions of labour..."

This mandate was carried out by the **Economics and Research Branch** in cooperation with the departmental library, also established in 1900. Correspondents from across the country provided unionization figures, negotiation and settlement of collective agreement data, strike and lockout information and wage information which were published in monthly issues of the *Labour Gazette*.

Seventy-five years later, the mandate of the Economics and Research Branch was expanded to include analysis of trends, especially in the areas of negotiated settlements and provisions in collective agreements. This was accomplished by merging the Labour Organizations and Disputes Division and the Surveys Division, creating a new centralized organization, the **Labour Data Branch**, devoted to the collection, analysis and dissemination of comprehensive statistics *relating to the conditions of labour*.

Many of the publications that the department produces today had their roots in our first 75 years. Some of them formed part of the *Labour Gazette* (1900 - 1978) until the information became comprehensive enough to warrant separate publication, for example, the *Directory of Labour Organizations* (first issue 1911), *Collective Bargaining Review* (first issue December 1965-1998), *Major Wage Settlements* (first issue 1978-1998) and *Survey of Wages and Working Conditions* (1901-1985). These publications continue to evolve to meet client needs as we witness the emergence of two new publications - *Collective Bargaining Bulletin* and *Workplace Gazette*.

In 1975, the Canada Labour Relations Council, comprised of representatives of business, management and labour, unanimously agreed on the "need for timely, reliable and pertinent information for purposes of collective bargaining". After several years of planning, the **Industrial Relations Information Service** (IRIS) was established by an Order-in-Council in May 1981, its purpose being to assist parties to collective bargaining by acting as a "clearing house" for economic and compensation data.

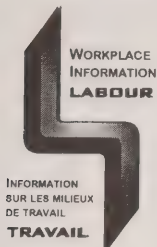
IRIS, in responding to a variety of clientele, including government officials, industrial relations practitioners, unions, management, academics and individual workers, regularly drew upon many established departmental sources. In order to achieve a more efficient use of these resources, the **Bureau of Labour Information** was created in April 1987 by blending the Labour Data Branch, the Economic and Industrial Relations Research Branch (EIRR) and the Industrial Relations Information Service. Its mandate was to collect, analyze and disseminate relevant and timely information *relating to the conditions of labour...* and act as a one-stop source of information on wage settlements and other collective bargaining

developments. The Bureau was immediately successful and in 1988 received an Award of Excellence from the Auditor-General of Canada for superior performance and valuable contribution as a service to the public. In 1990, the Bureau increased its focus on marketing and value-added activities, the primary one being analyses of collective bargaining developments and their impact on the industrial relations scene.

In 1993, with the creation of Human Resources Development Canada, the Labour Branch of HRDC was restructured internally and the Bureau of Labour Information was renamed the **Workplace Information Directorate**. Its mandate has evolved and expanded to include analyses of collective bargaining trends and developments, such as innovative work practices, while continuing to remain responsive to clients by

continuously seeking to ensure that information needs are met in the most efficient and effective manner. Over the years, this has included the operation of a toll-free information service, the revision of publications and the electronic means of information and publication dissemination.

While moving forward using ever-improving methods of data collection and dissemination, the Workplace Information Directorate continues to be a vital link to the past, for it can trace its roots right back to the desk of Mr. Mackenzie King as we persevere in our task of *"collecting, digesting and publishing statistical and other information relating to the conditions of labour..."*.



Information Products and Client Services

Client Services

The Workplace Information Directorate is your source for up-to-date, customized information on industrial relations and collective bargaining.

By meeting your specific research needs, we can assist you in preparing for and supporting the resolution of issues at the bargaining table. We can also help you keep abreast of developments in the industrial relations field through our information service and publications.

Our resources are used by negotiators, researchers, economists, consultants, journalists, teachers and many others. In Canada and abroad, members of the industrial relations community in the private and public sectors regularly call on the Workplace Information Directorate.

Workplace Gazette

A quarterly publication providing data on wage adjustments from major collective bargaining settlements by industry, sector and region; detailed analysis of select provisions in major agreements; comprehensive and in-depth information on innovative workplace practices in Canada resulting from collective bargaining; a quarterly calendar of major collective agreement expiries and reopeners; and, a chronological perspective on work stoppages in Canada. It also features articles or case studies on pertinent industrial relations matters. Annual subscription: Canada, \$125 plus 7% GST (\$133.75); other countries, U.S. \$125.

The Wage Settlements Bulletin

Monthly (12 issues). Provides the most up-to-date information and analysis of major wage developments in collective bargaining in Canada. The Bulletin is a valuable and recognized reference source providing statistical and analytical information illustrated with useful charts and tables on recent wage developments in Canada. The aggregate data and details are published in the following groupings: public and private sectors, regions and jurisdictions, and major industry groups. Annual subscription: Canada, \$200 plus 7% GST (\$214); other countries, U.S. \$200. (Available by fax or by mail).

Collective Bargaining Bulletin

A monthly publication containing timely information based on recently signed major collective agreements in Canada. The publication focuses on summaries of changes to wages and benefits in selected settlements, the status of key negotiations as well as data on work stoppages in Canada. In addition, a listing of formal and up-to-date reports of major settlements is provided and copies are available by calling the Workplace Information Directorate at 1-800-567-6866 or (819)997-3117. Annual subscription: Canada, \$50 plus 7% GST (\$53.50); other countries, U.S. \$50.

Directory of Labour Organizations in Canada

Annual. Includes information on all types of labour organizations in Canada: national and international unions, independent local unions, central labour congresses and certain other union groups. Included for each union are the names of officials, addresses and telephone numbers, membership figures, the titles of publications and the date of conventions. Aggregate statistics on union membership are also included. Bilingual. Canada, \$26.95 plus 7% GST (\$28.84); other countries, U.S. \$26.95.

Workplace Innovations

Annual. The only authoritative and up-to-date source of comprehensive and detailed information on Canadian innovative workplace practices in major collective agreements. Provides an in-depth analysis of innovative practices together with a breakdown by specific category. Bilingual electronic. Internet: Single Workstation \$29.95, Multiple Workstation \$99.95, Diskette: Single Workstation \$39.95, Multiple Workstation \$119.95.

For further information contact the Directorate:



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Workplace Information Directorate
Human Resources Development Canada - Labour
Ottawa, Ontario
K1A 0J2



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Human Resources Development Canada
165 Hotel de Ville
Place du Portage, Phase II
Hull, Quebec K1A 0J2

1-800-567-6866 or (819) 997-3117

*Internet: <http://labour.hrdc-drhc.gc.ca/>
E-Mail: wid-imt@hrdc-drhc.gc.ca*

FOREWORD

The Workplace Gazette presents a wide range of collective bargaining information to meet the ever-changing needs of the industrial relations community. Its purpose is to provide a sound base for research in support of the bargaining process.

It includes information and analysis on wage adjustments, collective agreement provisions, innovative workplace practices, work stoppages, upcoming important negotiations, and other related topics.

SECTION 1 includes quarterly/annual data on wage adjustments in major collective agreements, both current and

historical, by public/private sectors, region, jurisdiction, and major industry.

SECTION 2 provides a detailed analysis of selected provisions, those of current interest, found in major collective agreements. Also included is a listing of collective agreement expiries/reopeners, and information on work stoppages in Canada.

SECTION 3 summarizes innovative practices in the workplace resulting from collective bargaining. It also presents articles, case studies, and other recent trends in industrial relations.

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*The content of this publication has been prepared by members of
the Social Science Employees Association and the Public Service
Alliance of Canada.*

MESSAGE FROM THE MINISTER



*The Honourable
Lawrence MacAulay, P.C., M.P.
Minister of Labour*

I am delighted to be able to contribute to this issue of the *Workplace Gazette*. This publication is one of the key ways by which the Labour Program of Human Resources Development Canada informs both concerned citizens, employers, unions and labour relations practitioners of developments in the world of work. It contains detailed and useful information not only on basic labour matters – such as, collective agreements, wage rates, work stoppages – but also on the fascinating innovations that labour and management are jointly instituting to make the workplace more secure, more productive and more rewarding. This very edition, for instance, continues to contribute to a series entitled, “*Lessons Learned*”, which discusses the effectiveness of those workplace innovations.

Just a few weeks ago, we celebrated Labour Day. In this country, we have much to celebrate. For Canadian workers, wherever they are – on the factory floor or on the forest floor, in the home or on the highway, in the office or on the ocean, on the land or in the lab – regularly face and overcome difficult and daunting challenges. They have made this country the envy of the world. And they are making the economy of this country a power-house in the industrialized world.

The problem-solving stance of Canadian workers on workplace issues is making the workplace less adversarial, less acrimonious and, therefore, more productive. Their ingenuity and insistence on involvement are making the workplace more responsive to and accommodating of both organizational needs and individual needs.

Up-to-date and reliable information on these and other issues, put together by knowledgeable writers, can be found in the pages of the *Workplace Gazette*.

As we make our way toward the next millennium, we in the Labour Program are working hard to ensure that the basic federal labour law – the *Canada Labour Code* – does not stay fused in the present century.

In fact, the review of Part I of the *Code*, the section that deals with industrial relations, has been completed and amendments were approved by Parliament in June of this year. Those amendments, which constitute the first comprehensive reform of Part I since the early 1970s, continue to balance the rights and responsibilities of federal private sector employers, unions and employees, and to promote labour-management cooperation. They also reflect the changing labour relations environment in Canada. Soon, I expect to introduce amendments to Part II of the *Code*, the section that addresses occupational safety and health issues. And Part III, the labour standards component, is still in the review stage.

My fundamental objective is to ensure that the *Code* effectively protects workers in the federal jurisdiction, promotes worker involvement in decision-making, and fosters harmonious and healthy relations between employees and employers. My hope is that, eventually, the *Workplace Gazette* will be filled with information and articles on how the workplace partners have made labour-management relations in this country a model for the world.

I want to state emphatically that Canada remains committed to the mission, aims and values, as well as to the tripartite structure, of the International Labour Organization (ILO). This past June, when I participated in the 86th Session of the ILO Conference in Geneva, I took the opportunity to re-affirm this commitment to the delegates. Through its technical cooperation work, as well as its standard-setting and research and data gathering efforts, the ILO has brought hope and a better life to countless workers around the globe.

As you will see in this edition of the *Workplace Gazette*, several key issues were discussed at this year's ILO Conference. Canada was particularly interested in the adoption of a Declaration of Fundamental Principles and Rights at Work, in addition to the development of new instruments to eliminate the worst forms of child labour. The discussions on this issue were very moving and I was pleased to reiterate Canada's unwavering support for this ILO initiative. My intention is to continue our efforts to develop internationally accepted policies to deal with this intolerable practice so that the children of our contemporaries will have the kind of youth they ought to have.

Sincerely,

A handwritten signature in dark ink, reading "Lawrence MacAulay". The signature is written in a cursive, flowing style with a long, sweeping tail on the final letter.

Lawrence MacAulay, P.C., M.P.

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SECTION 1

MAJOR WAGE SETTLEMENTS* - SECOND QUARTER 1998

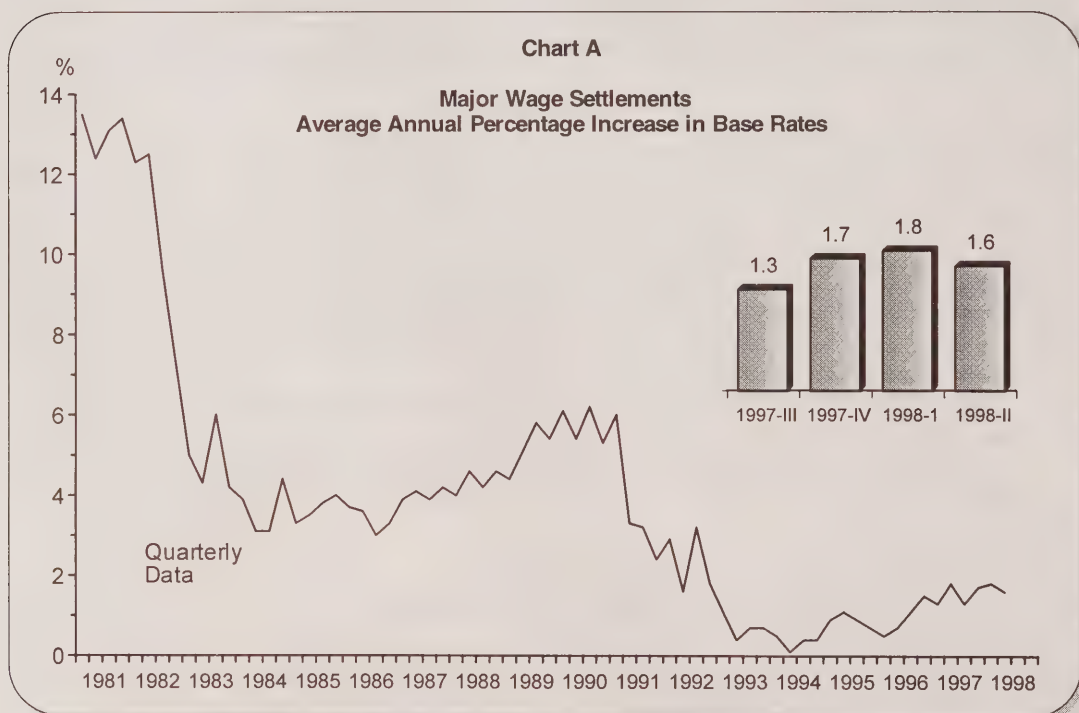
*Labour Economics and Publication Section
Workplace Information Directorate
Labour Program, Human Resources Development Canada*

Summary

Base rate wage adjustments from major collective bargaining settlements reached in the second quarter of 1998 averaged 1.6 per cent, down slightly from 1.8 per cent in the first quarter, and the same as the average for 1997 as a whole (see Chart A). Since the end of 1993 and early 1994, wage adjustments have risen very modestly and somewhat unevenly, through to the most recent quarters.

Wage adjustments for the first contract-year averaged 1.4 per cent in the agreements reached in the second quarter of 1998, up from 1.2 per cent in the first quarter, and 1.3 per cent in the year 1997.

The second-quarter 1998 results are based on a review of 115 settlements covering 259,065 employees. When the parties to these contracts



Source: Workplace Information Directorate

* Major settlements are those involving bargaining units of 500 or more employees. All wage rate adjustments over the term of these agreements, including those arising from cost-of-living clauses (COLA), are taken into account. The yield of such COLA clauses is estimated on an assumed 2.0 per cent annual increase in the Consumer Price Index.

previously negotiated – with contract-duration averaging approximately 32½ months – wage adjustments averaged 1.0 per cent, compared to the 1.6 per cent average in their current settlements.

The modest uptrend in the size of wage adjustments since 1993/1994 was more evident in the private sector, where wage increases rose continuously on an annual basis, from 0.8 per cent in 1993, to 2.1 per cent in 1997. There has been an apparent moderation in 1998; in the first and second quarters of the year, wage adjustments in the private sector averaged 1.7 and 1.4 per cent, respectively.

In the public sector, average wage adjustments rose unevenly from 0.0 per cent in 1994, to 1.2 per cent in 1997, and further to 1.8 per cent in the first quarter of 1998, before falling marginally to 1.7 per cent in the second quarter.

On a regional/jurisdictional basis, average wage adjustments in the second quarter of 1998 in descending order of magnitude were: the Prairie provinces, 2.4 per cent; the Federal jurisdiction, 2.0 per cent; Ontario, 1.9 per cent; Atlantic Canada, 1.4 per cent; British Columbia, 0.8 per cent; and Quebec, 0.5 per cent.

On an industry basis, average wage adjustments in the second quarter were: Primary Industries, 2.8 per cent (one settlement only); Transportation, Communication and Other Utilities, 2.1 per cent;

Construction, 2.0 per cent; Public Administration, 1.8 per cent; Community, Business and Personal Services, 1.4 per cent; Manufacturing, 1.2 per cent; and Trade/Finance, 1.0 per cent.

Distribution by Size of Wage Adjustments

The increase in the size of wage adjustments is, of course, reflected in the distribution of wage adjustments. Employees subject to wage freezes and wage cuts as a proportion of all employees covered in new major collective bargaining settlements declined from a historical high of 65.6 per cent in 1993, to 18.3 per cent in 1997, and further to 4.6 per cent in the first quarter of 1998, before rising again to 15.1 per cent in the second quarter. The second-quarter data on wage freezes – 14 agreements and 39,240 employees – reflect the impact of eight private sector settlements in June with a coverage of 35,080 employees (with close to 30,000 in Quebec). Cumulatively, 58.5 per cent of employees in settlements reached in the second quarter of 1998 were subject to wage freezes or gained increases of under 2.0 per cent (see Table 1), compared with a corresponding 66.7 per cent of employees in the year 1997. In the second quarter, employees receiving increases of 2.0 to 2.9 per cent constituted 31.3 per cent of all employees compared to 15.5 per cent in the year 1997; however, only 10.2 per cent of employees received increases of 3.0 per cent or more in the second quarter of 1998, compared to 17.8 per cent in the year 1997.

Table 1

Distribution of Agreements and Employees by Size of Wage Adjustment, 2nd Quarter 1998

Adjustment Range	Agreements		Employees	
	Number	Percentage	Number	Percentage
0 % and less	14	12.2	39,240	15.1
>0 % - 0,9 %	10	8.7	19,650	7.6
1 % - 1,9 %	26	22.6	92,770	35.8
2 % - 2,9 %	43	37.4	81,040	31.3
3, % - 3,9 %	19	16.5	20,565	7.9
4 % and more	3	2.6	5,800	2.3
Total	115	100.0	259,065	100.0

Public and Private Sectors, Regions/ Jurisdictions

While the size of wage adjustments has increased in both the private and public sectors since 1994, average wage gains in the private sector remained above those in the public sector through to the fourth quarter of 1997. In both the first and second quarters of 1998, however, average public sector adjustments were above those in the private sector (see Chart B).

Wage adjustments for 154,140 public sector employees in 53 settlements reached in the second quarter averaged 1.7 per cent; the average adjustment was 1.4 per cent for 104,925 private-sector employees in 62 agreements.

The largest concentration of public-sector employees was in Ontario, where 61,840 employees in nine agreements in that sector received wage adjustments averaging 1.6 per cent. These employees included 40,000 nurses employed by hospitals and represented by the Ontario Hospital Association with an average annual increase of 1.0 per cent; 14,000 technical, clerical and trade employees of Ontario Hydro at 2.5 per cent; and 3,100 Windsor Casino employees

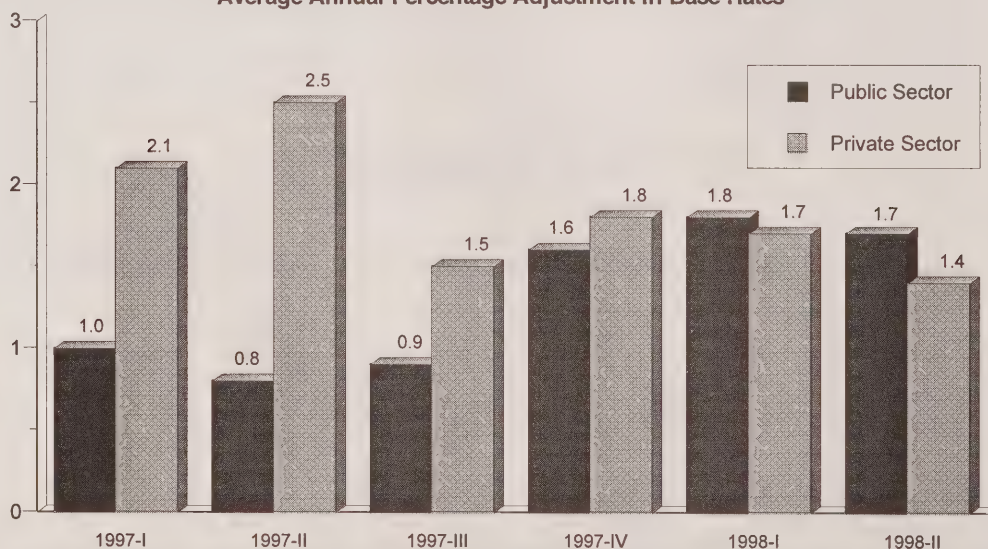
with the second-quarter's largest increase of 6.3 per cent. Wage-rates were frozen for 1,000 nurses with the Nursing Home Employers' Central Group, 800 occasional teachers with the Toronto Catholic District School Board, and 740 nursing assistants with the Regional Municipality of Niagara.

In the Prairie provinces, 42,190 public-sector employees gained increases averaging 2.3 per cent in 21 settlements. Among them were: 11,280 public servants with the Government of Alberta with an average increase of 2.5 per cent; 9,100 education and 4,520 health sector employees with an average increase of 2.9 per cent each; and 9,560 public servants with the Government of Saskatchewan at 2.0 per cent.

In Atlantic Canada, there were nine public-sector agreements providing 28,210 employees with wage gains averaging 1.5 per cent. They included: 10,500 health and education employees of the Government of Newfoundland with increases averaging 1.1 per cent; 5,700 public servants with the Government of Nova Scotia at 1.7 per cent; and 10,690 education and health sector employees in New Brunswick and Prince Edward Island at an average of 1.6 per cent.

Chart B

Major Wage Settlements - Public and Private Sectors Average Annual Percentage Adjustment in Base Rates



Source: Workplace Information Directorate

In Quebec 8,640 municipal and education-sector (university) employees gained increases averaging 0.7 per cent, and in the Federal jurisdiction 8,030 public-sector employees received average increases of 2.0 per cent (including 3,590 Via Rail employees at 2.0 per cent and 2,910 Government of Canada economists at 1.9 per cent). In British Columbia, 5,230 public-sector employees (including 4,500 employees of the Insurance Corporation of B.C.) gained increases of 0.4 per cent.

The largest concentration of private-sector employees (in the total of 104,925 employees with wage adjustments averaging 1.4 per cent), was in Ontario, where 37,975 employees received wage adjustments averaging 2.3 per cent. In the province's construction sector, 22,350 employees gained wage increases averaging 2.1 per cent, while 10,645 manufacturing-sector employees averaged gains of 3.0 per cent.

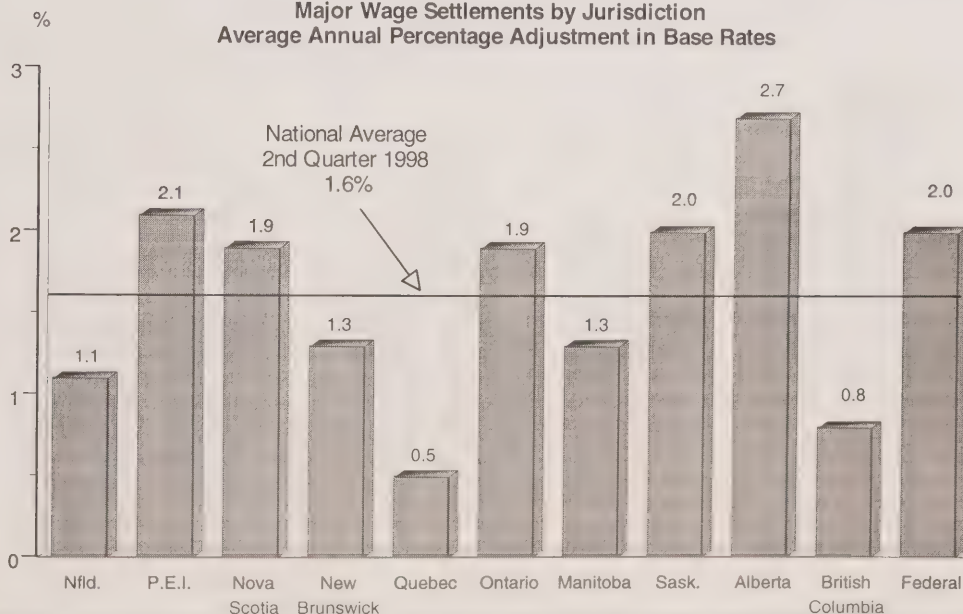
Quebec's 36,750 private-sector employees who received wage adjustments averaging 0.4 per cent, exerted a strong downward pressure on the national average. Wage rates were frozen for 29,980 of these employees, 18,740 of them in manufacturing and 11,140 in the business-services sector.

In the Federal jurisdiction, 16,520 private-sector employees gained increases averaging 2.0 per cent; 15,540 were employees of Canadian National Railway and Canadian Pacific Limited, also with increases of 2.0 per cent.

Wage adjustments for 8,220 private-sector employees in British Columbia averaged 1.0 per cent. Wage rates were frozen for 4,000 employees of the Fish Processors' Bargaining Association and 620 employees of Shoppers Drug Mart; the Greater Vancouver Hotel Employers' Association's 2,000 employees gained increases of 2.5 per cent.

For public and private sectors combined, average wage adjustments were largest in the Prairie provinces, with 45,050 employees in 25 agreements receiving wage adjustments of 2.4 per cent (see Chart C). For the Federal Jurisdiction's total of 24,550 employees, wage increases averaged 2.0 per cent in 13 agreements. The largest concentration of employees – 99,815 in 37 settlements in Ontario – received wage adjustments averaging 1.9 per cent.

Chart C
Major Wage Settlements by Jurisdiction
Average Annual Percentage Adjustment in Base Rates



Source: Workplace Information Directorate

In Atlantic Canada, 30,810 employees in 12 agreements received adjustments averaging 1.4 per cent, while seven settlements covering 13,450 employees in British Columbia yielded wage adjustments averaging 0.8 per cent. The lowest average adjustments was in Quebec, with an average of 0.5 per cent for 45,390 employees in 21 agreements.

Major Industry Groups

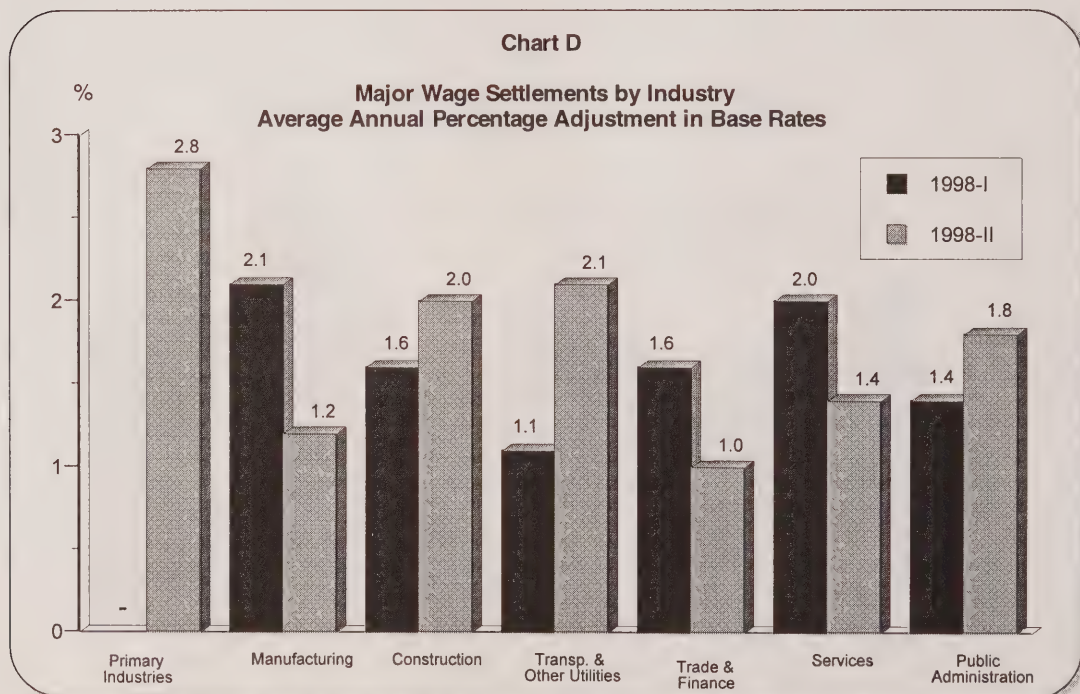
On an industry basis the largest increase was in the Primary Industries sector at 2.8 per cent, but there was only one agreement in that sector, with a coverage of 700 employees.

The largest concentration of employees was in Community, Business and Personal Services, with 101,160 employees in 35 settlements receiving wage adjustments averaging 1.4 per cent. Adjustments in the sector ranged from wage freezes for 13,680 employees (11,140 building-maintenance and security personnel in Quebec, and 2,540 in the Ontario education and health sectors), to a high of 6.3 per cent for 3,100 Windsor Casino employees.

Within the services sector, the largest concentration of employees was in Ontario where 47,300 employees in seven settlements received wage adjustments averaging 1.3 per cent; the vast majority were in the health sector, including 40,000 nurses with wage gains of 1.0 per cent (see Chart D).

In Atlantic Canada, 21,910 services-sector employees received wage increases averaging 1.4 per cent. In the region's education sector, there were 18,840 employees also with wage increases averaging 1.4 per cent, and including: 8,500 Newfoundland teachers at 1.1 per cent; 7,600 New Brunswick teachers at 1.5 per cent; and 1,440 Prince Edward Island teachers at 2.1 per cent. In the health sector, 2,000 non-medical employees in Newfoundland and 1,070 in New Brunswick gained increases of 1.4 per cent and 1.5 per cent, respectively.

There were 16,580 services-sector employees in 14 agreements in the Prairie provinces, with wage increases averaging 2.6 per cent. In Alberta, 13,620 of these employees gained average increases of 2.9 per cent (9,100 education-sector and 4,520 health-sector employees, both at 2.9 per cent). In Manitoba, 2,340 education-sector employees



Source: Workplace Information Directorate

gained increases averaging 1.2 per cent, and in Saskatchewan, 620 non-medical health-sector employees gained an increase of 2.0 per cent.

In Quebec, 13,370 services-sector employees in six agreements (including the 11,140 with wage freezes), received wage adjustments averaging 0.1 per cent.

In Transportation, Communication and Other Utilities, 41,790 employees in 19 agreements gained wage increases averaging 2.1 per cent. In the Federal jurisdiction wage increases averaged 2.0 per cent for 20,610 employees in transportation and communications (3,590 Via Rail employees; 11,570 Canadian National; 3,970 Canadian Pacific; and 500 Marine Atlantic – all at 2.0 per cent, and 980 CBC employees at 1.8 per cent). In Ontario, 18,470 utilities and transportation employees gained increases averaging 2.3 per cent (including 14,000 Ontario Hydro employees at 2.5 per cent) and in Alberta, 2,710 utilities and transportation employees also received wage gains averaging 2.3 per cent.

For 41,245 Manufacturing employees in 26 second-quarter agreements, wage adjustments averaged 1.2 per cent. Quebec accounted for 24,500 manufacturing-sector employees, who received wage adjustments averaging 0.5 per cent. They included: 18,740 employees with wage freezes (2,450 at Alcan; 7,970 with the Quebec Fashion Apparel Manufacturers Guild; and 8,320 with the Associated Clothing Manufacturers of Quebec), and 1,200 Reynolds Metals employees at 2.5 per cent.

In Ontario, 10,645 manufacturing employees gained wage increases averaging 3.0 per cent. They ranged from a 1.8 per cent increase for 740 Atlas Specialty Steel employees, to a high of 3.8 per cent for 500 Lear Seating employees; also, 2,000 employees of A.G. Simson gained increases of 2.4 per cent. For 5,600 manufacturing employees in British Columbia, wage adjustments averaged 0.6 per cent (a wage freeze for 4,000 Fish Processors' employees, and a 2.0 per cent increase for 1,600 Fletcher Challenge employees).

In Public Administration, 40,180 employees gained wage increases averaging 1.8 per cent in 12 agreements. Wage increases averaged 2.2 per cent

for 22,820 employees in five agreements in the Prairie Provinces (880 employees in Manitoba at 1.3 per cent; 10,660 in Saskatchewan at 2.0 per cent and 11,280 in Alberta at 2.5 per cent). In Nova Scotia (the only Atlantic province with a settlement in the public administration sector), there was a 1.7 per cent average annual wage increase for 5,700 provincial public servants. For three groups of employees totaling 6,990, with the City of Montreal, wage increases averaged 0.7 per cent. Two federal public-service contracts provided average annual wage increases of 2.0 per cent for 3,940 employees (1,030 foreign service employees at 2.2 per cent and 2,910 economists at 1.9 per cent). In British Columbia, a public-administration settlement provided a wage increase of 0.7 per cent for 730 employees of the District of Coquitlam.

Of the 25,300 employees in the second quarter's 15 Construction agreements with an average wage adjustment of 2.0 per cent, 22,350 were in Ontario with wage increases averaging 2.1 per cent. Settlements in the province ranged from a 0.5 per cent average annual increase for 1,200 insulators, to a 6.2 per cent average annual increase for 2,000 bricklayers; within that range were 3,900 painters at 0.9 per cent and 8,000 plumbers and pipefitters at 1.6 per cent. There was a wage freeze for 1,200 plumbers and pipefitters in New Brunswick and average annual increases of 1.9 per cent for 900 carpenters in Nova Scotia and 850 in Manitoba.

Wage adjustments in seven second-quarter agreements in Trade and Finance averaged 1.0 per cent for 8,690 employees. They ranged from wage freezes for 500 A&P employees in Ontario and 620 Shoppers Drug Mart employees in British Columbia to an increase of 3.0 per cent for 600 retail-sector employees of the Nova Scotia Liquor Commission. For 4,500 clerical and other office employees of the Insurance Corporation of British Columbia, increases averaged 0.4 per cent annually, and for 1,390 clerical and other office employees of Saskatchewan Government Insurance, as well as, 530 wholesale store employees of Marchands Alimentations Agora in Quebec, wage increases averaged 2.0 per cent annually.

MAJOR SETTLEMENTS REACHED IN THE SECOND QUARTER OF 1998

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY/MM/DD
Primary Industries (1 agreement)	700	2.8	2.3	36	
International Minerals and Chemical (Canada) Global Limited, mine employees, Esterhazy (Sask.)	700	2.8	2.3	36	2001-01-31
Manufacturing (26 agreements)	41,245	1.2	1.1	22.2	
A.G. Simpson Co. Limited, plant and maintenance employees, Cambridge (Ont.)	2,000	2.4*	1.3	36	2001-07-28
Alcan Smelters and Chemicals Ltd., hourly rated employees, Jonquiere and other areas (QC)	2,450	0.0*	0.0	2	1998-12-31
Associated Clothing Manufacturers of the Province of Quebec, Inc., production employees, Montreal (QC)	8,320	0.0	0.0	7	1998-12-31
Atlas Speciality Steels, a Division of Atlas Steels Inc., plant and maintenance employees, Welland (Ont.)	740	1.8*	1.3	36	2001-03-22
Brock Telecom Limited, plant and maintenance employees, Brockville (Ont.)	870	3.0	3.0	24	2000-05-11
CAMI Automotive Inc., plant and maintenance employees, Ingersoll (Ont.)	2,040	3.5*	3.1	36	2001-09-22
Camco Inc., production employees, Hamilton (Ont.)	950	2.9*	2.5	36	2001-04-22
Camco inc., production employees, Montreal (QC)	610	2.0*	1.9	36	2001-03-04
Carlton Cards Limited, production employees, Etobicoke (Ont.)	650	2.9	3.1	36	2001-01-31
Coca-Cola Bottling Ltd., plant and maintenance employees, Montreal (QC)	500	2.6	2.5	36	2001-07-29
Collins and Aikman Plastics, Ltd., production empl., Metropolitan Toronto (Ont.)	640	3.6*	3.3	36	2001-04-30
Dominion Castings Limited, plant and maintenance employees, Hamilton (Ont.)	830	2.8	5.8	36	2001-05-18
Fish Processors' Bargaining Association of British Columbia, fish processing employees, Coast (B.C.)	4,000	0.0	0.0	12	1999-04-15
Fletcher Challenge Canada Limited, mill employees, Campbell River (B.C.)	750	2.0	0.0	72	2003-04-30
Fletcher Challenge Canada Limited, mill employees, Crofton (B.C.)	850	2.0	0.0	72	2003-04-30
Frigidaire Canada, production employees, L'Assomption (QC)	750	2.4	2.8	48	2002-03-17
H.J. Heinz Co. of Canada Ltd., plant and maintenance employees, Leamington (Ont.)	605	3.5*	3.0	36	2001-04-30
Island Fishermen's Co-operative Association Ltd., plant and maintenance employees, Lameque (N.B.)	500	0.0	0.0	22	2000-02-28
Lear Seating Canada Ltd., plant and maintenance employees, Ajax (Ont.)	500	3.8*	3.9	36	2001-04-30
Manac, Division of Le Groupe Canam Manac inc., production employees, St-Georges (QC)	700	2.4	2.0	60	2003-04-30
Metallurgie Noranda - Affinerie CCR, production empl., Montreal-Est (QC)	600	1.7*	1.7	36	2001-05-30
QIT-Fer et Titane inc., plant and maintenance employees, Sorel (QC)	900	2.0*	2.0	36	2001-04-29
Quebec Fashion Apparel Manufacturers' Guild, production employees, province-wide (QC)	7,970	0.0	0.0	6	1998-12-31
Reynolds Canadian Metals Corporation Ltd., plant and maintenance employees, Baie-Comeau (QC)	1,200	2.5*	2.8	59	2003-05-31
Sport Maska inc., plant and maintenance employees, St-Jean-sur-Richelieu (QC)	500	2.8	2.0	26	2000-02-15
Standard Products (Canada) Limited, plant and maintenance employees, Stratford (Ont.)	820	3.7*	3.8	36	2001-09-30

* Agreements with cost-of-living allowances (COLA) calculated at a projected 2.0 per cent inflation rate.

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Construction (15 agreements)	25,300	2.0	1.5	34.9	
Architectural Glass and Metal Contractors Association, glaziers, province-wide (Ont.)	600	1.1	0.4	36	2001-04-30
Construction Labour Relations Association of Manitoba, carpenters, province-wide (Man.)	850	1.9	1.2	36	2001-04-30
Construction Management Bureau Limited, carpenters, Mainland (N.S.)	900	1.9	2.5	36	2001-04-30
Masonry Contractors' Association of Toronto Inc., bricklayers, province-wide (Ont.)	2,000	6.2	7.2	36	2001-04-30
Master Insulators' Association of Ontario Inc., insulation workers, province-wide (Ont.)	1,200	0.5	0.0	36	2001-04-30
Mechanical Contractors Association of N.B. Inc., plumbers and pipefitters, province-wide (N.B.)	1,200	0.0	0.0	12	1999-06-30
Mechanical Contractors Association of Ontario, plumbers and pipefitters, province-wide (Ont.)	8,000	1.6	0.7	36	2001-04-30
Metropolitan Toronto Road Builders' Association, labourers, Metropolitan Toronto (Ont.)	600	3.3	2.6	36	2001-04-30
Metropolitan Toronto Sewer and Watermain Contractors Association, heavy equipment operators, Metropolitan Toronto (Ont.)	750	3.1	2.4	36	2001-04-30
Metropolitan Toronto Sewer and Watermain Contractors Association, labourers, Metropolitan Toronto (Ont.)	1,000	3.2	2.5	36	2001-04-30
Ontario Formwork Association, heavy equipment operators, province-wide (Ont.)	600	2.6	2.0	36	2001-04-30
Ontario Industrial Roofing Contractors' Association, roofers, province-wide (Ont.)	1,300	1.5	0.8	36	2001-04-30
Ontario Painting Contractors Association, painters, province-wide (Ont.)	3,900	0.9	1.1	36	2001-04-30
Ontario Refrigeration and Air Conditioning Contractors Association, service and maintenance employees, province-wide (Ont.)	1,200	1.7	0.0	36	2001-04-30
Utility Contractors' Association of Ontario Incorporated, labourers, province-wide (Ont.)	1,200	3.2	2.5	36	2001-04-30
Transportation, Communication and Other Utilities (19 agreements)	41,790	2.1	2.1	30.0	
Canadian Western Natural Gas Company Limited, plant and maintenance employees, Calgary (Alta.)	510	2.9	3.0	24	1999-12-31
City of Edmonton, bus drivers, Edmonton (Alta.)	1,400	1.7	0.0	36	2000-01-04
City of Mississauga, bus drivers, Mississauga (Ont.)	540	3.0	3.0	12	1999-03-31
Consumers' Gas Company Ltd., office and clerical employees, province-wide (Ont.)	1,560	1.5	1.5	24	2000-03-31
Entourage Technology Solutions Inc., technical employees, province-wide (Ont.)	1,400	0.6	0.0	32	2000-09-30
Northwestern Utilities Limited, plant and maintenance employees, Edmonton (Alta.)	800	2.9	3.0	24	1999-12-31
Ontario Hydro, office and clerical employees, province-wide (Ont.)	14,000	2.5	2.5	24	2000-03-31
Union Gas Limited, service and maintenance employees, Southwestern (Ont.)	970	2.5	3.0	24	1999-12-31
Canadian Broadcasting Corporation, broadcast and TV employees, province-wide (QC) and Moncton (N.B.)	980	1.8	2.5	36	2001-06-21

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Transportation, Communication and Other Utilities (continued)					
Canadian National Railway Company, bridge and structure employees, system-wide	4,900	2.0	2.0	36	2000-12-31
Canadian National Railway Company, conductors; etc., system-wide	5,820	2.0	2.0	36	2000-12-31
Canadian National Railway Company, service and maintenance employees, system-wide	850	2.0	2.0	36	2000-12-31
Canadian Pacific Limited, bridge and structure employees, system-wide	2,530	2.0	2.0	36	2000-12-31
Canadian Pacific Limited, non-operating employees, system-wide	1,440	2.0	2.0	24	2000-12-31
Marine Atlantic Inc., longshoremen, Atlantic Coast	500	2.0	2.0	36	2000-12-31
Via Rail Canada Inc., locomotive engineers, system-wide	500	2.0	2.0	36	2000-12-31
Via Rail Canada Inc., non-operating employees, system-wide	890	2.0	2.0	36	2000-12-31
Via Rail Canada Inc., shopcraft employees, system-wide	600	2.0	2.0	36	2000-12-31
Via Rail Canada Inc., sleeping; dining and parlour car employees, system-wide	1,600	2.0	2.0	36	2000-12-31
Trade and Finance (7 agreements)	8,690	1.0	1.0	34.8	
Fenwick Automotive Products, production employees, Toronto (Ont.)	550	3.0	3.0	48	2002-02-28
Great Atlantic and Pacific Company of Canada, Limited, grocery distribution centre employees, Metropolitan Toronto (Ont.)	500	0.0	0.0	36	2000-10-14
Insurance Corporation of British Columbia, service and maintenance employees, province-wide (B.C.)	4,500	0.4	0.0	33	1999-06-30
Marchands en alimentation Agora, wholesale employees, Montreal-Nord (QC)	530	2.0	2.0	24	2000-07-04
Nova Scotia Liquor Commission, retail employees, Halifax (N.S.)	600	3.0	5.1	29	2000-03-31
Saskatchewan Government Insurance, office and clerical employees, Regina (Sask.)	1,390	2.0	2.0	36	2000-12-31
Shoppers Drug Mart, retail employees, province-wide (B.C.)	620	0.0	0.0	48	2001-04-30
Community, Business and Personal Services (35 agreements)	101,160	1.4	1.1	31.2	
Association des entrepreneurs de services d'édifices Québec inc., service and maintenance employees, Montreal (QC)	3,500	0.0	0.0	18	1999-12-23
Board of Governors of Dalhousie College and University, professors, Halifax (N.S.)	720	2.8	5.6	44	2001-06-30
Board of Trustees of Edmonton R. C. Separate School District No. 7, office and clerical employees, Edmonton (Alta.)	530	3.3	3.3	12	1998-08-31
Board of Trustees of Edmonton School District No. 7, elementary and secondary teachers, Edmonton (Alta.)	4,200	3.1	3.1	12	1998-08-31
Board of Trustees of the Calgary Board of Education, building maintenance, Calgary (Alta.)	860	2.8	1.8	28	1998-12-31
Calgary Board of Education, office and clerical employees, Calgary (Alta.)	2,130	2.6	5.3	24	1998-12-31
Calgary Regional Health Authority, non-medical employees, Calgary (Alta.)	700	4.0	6.0	36	2001-03-31
Capital Health Authority, nursing assistants, Edmonton (Alta.)	960	2.7	3.8	36	2000-03-31

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Community, Business and Personal Services (continued)					
Carleton University, professors and librarians, Ottawa (Ont.)	660	1.3	0.5	36	2001-04-30
Concordia University, professors and librarians, Montreal (QC)	650	0.7	0.0	78	2002-05-31
Confédération des syndicats nationaux et ses organismes affiliés, administrative and support employees, Montreal (QC)	580	1.1*	0.3	36	2001-05-31
Corporation of Building Maintenance Employers of Quebec, building maintenance employees, Quebec (QC)	3,630	0.0	0.0	18	1999-12-23
Government of New Brunswick, elementary and secondary teachers, province-wide (N.B.)	7,600	1.5	1.5	36	2000-08-31
Government of New Brunswick, para-medical technical employees, province-wide (N.B.)	1,070	1.5	1.5	60	2000-12-31
Government of Newfoundland and Labrador, elementary and secondary teachers, province-wide (Nfld.)	8,500	1.1	0.0	77	2001-08-31
Government of Newfoundland and Labrador, support employees, province-wide (Nfld.)	2,000	1.4	0.0	60	2001-03-31
Government of Prince Edward Island, elementary and secondary teachers, province-wide (P.E.I.)	1,440	2.1	2.0	36	2001-06-30
Government of Saskatchewan, non-medical employees, province-wide (Sask.)	620	2.0	2.0	36	2000-09-30
Greater Vancouver Hotel Employer's Association, service and maintenance employees, Vancouver (B.C.)	2,000	2.5	3.0	24	2000-02-28
Lambton Kent District School Board, elementary teachers, Sarnia (Ont.)	1,000	3.7	3.9	24	2000-08-31
Laval University, Instructors/Tutors/Lecturers, Quebec (QC)	1,000	0.5	0.0	36	1999-05-31
Northern Alberta Institute of Technology, Instructors/Tutors/Lecturers, Edmonton (Alta.)	720	3.0	3.0	12	1999-06-30
Nursing Home Employer Central Group, nurses, province-wide (Ont.)	1,000	0.0	0.0	13	1999-06-30
Ontario Hospital Association, nurses, province-wide (Ont.)	40,000	1.0	0.0	24	1998-03-31
Provincial Health Authorities of Alberta (Long Term Care), nursing assistants, Edmonton (Alta.)	1,200	2.3	6.0	36	2000-04-30
Red River Community College, educational services, Winnipeg (Man.)	850	1.5	1.0	36	2000-06-17
Regional Municipality of Niagara, non-medical employees, Niagara Region (Ont.)	740	0.0	0.0	24	1997-12-31
River East School Division No. 9, elementary and secondary teachers, East Kildonan (Man.)	840	0.7	0.0	24	1997-12-31
Security and Investigation Agency of East Quebec, security guards, province-wide (QC)	4,010	0.0	0.0	18	1999-12-23
Southern Alberta Institute of Technology, office and clerical employees, Calgary (Alta.)	660	2.1	2.2	36	2001-06-30
St. James-Assiniboia School Division No. 2, elementary and secondary teachers, St. James-Assiniboia (Man.)	650	1.3	1.5	18	1998-06-30
Toronto Catholic District School Board, elementary and secondary teachers, Toronto (Ont.)	800	0.0	0.0	24	2000-08-31
University Hospitals Board, non-medical employees, Edmonton (Alta.)	1,660	3.0	3.0	36	2000-03-31
University of New Brunswick, professors, Fredericton (N.B.)	580	1.6*	0.0	42	2001-06-30
Windsor Casino Limited, casino employees, Windsor (Ont.)	3,100	6.3	8.6	36	2001-03-31

* Agreements with cost-of-living allowances (COLA) calculated at a projected 2.0 per cent inflation rate.

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Public Administration (12 agreements)	40,180	1.8	1.5	30.4	
Alberta Treasury Branches (Div. Treasury Dept.-Gov't of Alberta), administrative services employees, province-wide (Alta.)	1,740	3.8	3.8	12	1999-03-31
City of Montreal, administrative services employees, Montreal (QC)	550	0.6	0.0	39	2001-03-31
City of Montreal, firefighters, Montreal (QC)	1,560	1.0	1.9	48	2000-12-31
City of Montreal, inside employees, Montreal (QC)	4,880	0.6	0.0	39	2001-02-28
City of Regina, outside employees, Regina (Sask.)	1,100	1.7	2.0	36	2000-12-31
City of Winnipeg, firefighters, Winnipeg (Man.)	880	1.3	0.0	48	1999-12-31
District of Coquitlam, inside employees, Coquitlam (B.C.)	730	0.7	0.0	36	1999-12-31
Government of Alberta, administrative services employees, province-wide (Alta.)	9,540	2.3	2.3	24	1999-08-31
Government of Nova Scotia (Master Agreement), all components, province-wide (N.S.)	5,700	1.7	0.0	29	2000-03-31
Government of Saskatchewan, inside and outside employees, province-wide (Sask.)	9,560	2.0	2.0	36	2000-09-30
Government of Canada, economists, Canada-Wide	2,910	1.9	1.9	14	1999-06-21
Government of Canada, foreign service officers, Canada and abroad	1,030	2.2	2.5	26	1999-06-30
Agreements with COLA (15 agreements)	15,215	1.6	1.3	32.6	
Agreements without COLA (100 agreements)	243,850	2.2	1.9	29.8	
All agreements (115 agreements)	259,065	1.6	1.4	29.9	

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* Cost-of-Living Allowance (COLA) formulae are quantified using a combination of the latest relevant Consumer Price Index (CPI) data available and/or a projected CPI increase of 2 per cent. Consult the Technical Notes for information on the calculation of the yield from COLA increases, and definitions of the industry and sector divisions used in this publication.

Table A-1

**Effective Wage Adjustment in Base Rates, Number of Agreements and Employees Covered,
by Year and Quarter**

	1995	1996	1997	1997		1998	
				3	4	1	2
All Industries							
Wage Adjustment (%)	0.9	0.9	1.6	1.3	1.7	1.8	1.6
Number of Agreements	403	375	374	76	92	64	115
Number of Employees (000's)	909.5	794.4	688.0	134.6	183.7	126.1	259.1
Private Sector							
Wage Adjustment (%)	1.4	1.8	2.1	1.5	1.8	1.7	1.4
Number of Agreements	187	165	155	42	30	20	62
Number of Employees (000's)	278.6	244.4	319.7	90.1	46.5	30.6	104.9
Public Sector							
Wage Adjustment (%)	0.6	0.5	1.2	0.9	1.6	1.8	1.7
Number of Agreements	216	210	219	34	62	44	53
Number of Employees (000's)	630.9	550.0	368.3	44.6	137.2	95.4	154.1
Federal Administration							
Wage Adjustment (%)	-	0.0	3.2	-	3.2	2.0	2.0
Number of Agreements	-	1	1	-	1	2	2
Number of Employees (000's)	-	0.6	7.6	-	7.6	3.6	3.9
Federal Crown Corporations							
Wage Adjustment (%)	1.0	0.4	1.4	0.0	1.7	-	2.6
Number of Agreements	12	5	8	1	3	-	6
Number of Employees (000's)	74.6	10.1	65.4	0.6	49.0	-	5.8
Provincial Administration							
Wage Adjustment (%)	0.9	0.2	1.1	0.6	1.2	1.8	2.3
Number of Agreements	29	37	26	4	17	8	8
Number of Employees (000's)	109.2	151.8	44.7	2.3	32.5	11.8	48.4
Local Administration							
Wage Adjustment (%)	0.5	1.1	1.3	1.2	1.6	1.1	1.0
Number of Agreements	28	31	33	10	7	11	8
Number of Employees (000's)	45.1	48.8	43.2	15.1	5.5	21.1	11.6
Education, Health and Welfare							
Wage Adjustment (%)	0.5	0.5	1.0	0.8	1.7	2.0	1.4
Number of Agreements	145	119	147	18	31	22	29
Number of Employees (000's)	399.9	303.2	203.0	24.4	40.5	58.0	84.3
Public Utilities							
Wage Adjustment (%)	0.0	0.9	1.6	1.5	1.8	0.7	-
Number of Agreements	2	17	4	1	3	1	-
Number of Employees (000's)	2.0	35.4	4.4	2.3	2.1	0.9	-

Table A-2

**Effective Wage Adjustment in Base Rates, by Duration, by Effective Period,
Second Quarter 1998**

Sector/ Agreement Duration	Number of Agreements	Number of Employees	First 12 Months	Second 12 Months	Third 12 Months	Fourth 12 Months	Average Annual Adjustment	Average Agreement Duration
		(000's)	(%)	(%)	(%)	(%)	(%)	(Months)
All Industries								
17 Months or Less	12	35.6	0.9	0.3	-	-	0.9	9.0
18-29 Months	26	98.7	1.0	1.9	1.1	-	1.5	23.7
30-41 Months	62	103.4	1.9	1.9	2.1	1.3	2.0	36.0
42 Months or More	15	21.4	0.8	1.0	1.0	1.9	1.4	64.7
All Agreements	115	259.1	1.4	1.8	1.9	1.7	1.6	29.9
Private Sector								
17 Months or Less	5	23.9	0.0	-	-	-	0.0	7.2
18-29 Months	13	20.8	1.1	0.9	2.0	-	1.0	20.8
30-41 Months	37	54.7	1.9	2.1	2.5	0.0	2.2	35.9
42 Months or More	7	5.4	1.6	2.5	1.9	2.2	2.1	59.1
All Agreements	62	104.9	1.3	1.8	2.5	1.6	1.4	27.6
Public Sector								
17 Months or Less	7	11.6	2.6	0.3	-	-	2.6	12.6
18-29 Months	13	77.9	1.0	2.2	0.9	-	1.6	24.4
30-41 Months	25	48.7	2.0	1.8	1.7	1.7	1.9	36.1
42 Months or More	8	16.0	0.5	0.5	0.7	1.7	1.2	66.6
All Agreements	53	154.1	1.4	1.8	1.4	1.7	1.7	31.6
Federal Administration								
17 Months or Less	1	2.9	1.9	0.3	-	-	1.9	14.0
18-29 Months	1	1.0	2.5	2.0	0.3	-	2.2	26.0
30-41 Months	-	-	-	-	-	-	-	-
42 Months or More	-	-	-	-	-	-	-	-
All Agreements	2	3.9	2.1	0.7	0.3	-	2.0	17.1
Federal Crown Corporations								
17 Months or Less	1	1.7	3.8	-	-	-	3.8	12.0
18-29 Months	-	-	-	-	-	-	-	-
30-41 Months	5	4.1	2.0	2.0	2.0	-	2.0	36.0
42 Months or More	-	-	-	-	-	-	-	-
All Agreements	6	5.8	2.6	2.0	2.0	-	2.6	28.8
Provincial Administration								
17 Months or Less	-	-	-	-	-	-	-	-
18-29 Months	4	29.8	2.0	2.7	-	-	2.3	25.1
30-41 Months	4	18.6	2.6	2.3	2.0	-	2.3	35.3
42 Months or More	-	-	-	-	-	-	-	-
All Agreements	8	48.4	2.2	2.6	2.0	-	2.3	29.0
Local Administration								
17 Months or Less	1	0.5	3.0	-	-	-	3.0	12.0
18-29 Months	-	-	-	-	-	-	-	-
30-41 Months	5	8.7	0.3	0.5	0.8	2.0	0.9	37.9
42 Months or More	2	2.4	1.2	0.0	1.5	1.6	1.1	48.0
All Agreements	8	11.6	0.6	0.4	1.0	1.9	1.0	38.8
Education, Health and Welfare								
17 Months or Less	4	6.5	2.6	-	-	-	2.6	12.2
18-29 Months	8	47.0	0.4	1.9	1.5	-	1.1	24.0
30-41 Months	11	17.4	2.2	1.8	1.7	0.0	1.9	36.0
42 Months or More	6	13.5	0.4	0.6	0.6	1.8	1.3	69.9
All Agreements	29	84.3	0.9	1.6	1.2	1.6	1.4	32.9
Public Utilities								
17 Months or Less	-	-	-	-	-	-	-	-
18-29 Months	-	-	-	-	-	-	-	-
30-41 Months	-	-	-	-	-	-	-	-
42 Months or More	-	-	-	-	-	-	-	-
All Agreements	-	-	-	-	-	-	-	-

Table B-1

**Effective Wage Adjustment in Base Rates, by Major Industry Division,
with and without COLA, by Year and Quarter**

	1995	1996	1997	1997		1998	
				3	4	1	2
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
All Industries							
Agreements without COLA	0.8	0.6	1.6	1.3	1.7	1.7	1.6
Agreements with COLA	1.3	2.7	1.8	1.7	1.7	3.1	2.2
All Agreements	0.9	0.9	1.6	1.3	1.7	1.8	1.6
Primary Industry							
Agreements without COLA	2.5	1.7	1.9	1.5	1.2	-	2.8
Agreements with COLA	-	1.7	2.0	1.9	-	-	-
All Agreements	2.5	1.7	1.9	1.8	1.2	-	2.8
Manufacturing							
Agreements without COLA	2.1	2.7	1.9	1.8	1.0	1.8	0.6
Agreements with COLA	2.4	3.0	2.7	3.0	2.2	3.3	2.3
All Agreements	2.2	2.9	2.1	1.9	1.6	2.1	1.2
Construction							
Agreements without COLA	1.0	0.0	2.5	1.1	2.3	1.6	2.0
Agreements with COLA	1.7	1.3	-	-	-	-	-
All Agreements	1.0	0.1	2.5	1.1	2.3	1.6	2.0
Transportation, Communication and Other Utilities							
Agreements without COLA	1.2	0.7	1.7	1.5	0.9	1.1	2.1
Agreements with COLA	0.7	1.9	1.5	1.0	1.7	2.5	-
All Agreements	1.1	0.8	1.6	1.5	1.6	1.1	2.1
Trade; Finance, Insurance and Real Estate							
Agreements without COLA	0.9	0.7	1.7	1.7	1.1	1.6	1.0
Agreements with COLA	-	0.3	1.6	1.5	1.8	-	-
All Agreements	0.9	0.6	1.6	1.6	1.4	1.6	1.0
Community, Business and Personal Services							
Agreements without COLA	0.5	0.6	1.0	0.8	1.7	2.0	1.4
Agreements with COLA	0.6	0.8	1.5	-	0.6	-	1.4
All Agreements	0.5	0.6	1.0	0.8	1.7	2.0	1.4
Public Administration							
Agreements without COLA	0.6	0.2	1.4	1.2	1.8	1.4	1.8
Agreements with COLA	1.3	5.0	1.3	-	1.3	-	-
All Agreements	0.7	0.4	1.4	1.2	1.8	1.4	1.8

Table B-2

**Number of Agreements and Employees Covered, by Major Industry Division,
with and without COLA, by Year and Quarter**

	1995		1996		1997	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
	(000's)		(000's)		(000's)	
All Industries						
Agreements without COLA	370	815.9	328	692.5	339	578.8
Agreements with COLA	33	93.6	47	101.9	35	109.2
All Agreements	403	909.5	375	794.4	374	688.0
Primary Industry						
Agreements without COLA	4	3.1	8	7.0	3	2.3
Agreements with COLA	-	-	3	3.5	4	7.7
All Agreements	4	3.1	11	10.5	7	10.0
Manufacturing						
Agreements without COLA	49	41.4	49	34.3	41	49.9
Agreements with COLA	25	31.0	32	77.1	20	22.0
All Agreements	74	72.3	81	111.4	61	71.9
Construction						
Agreements without COLA	67	124.8	11	9.0	31	104.3
Agreements with COLA	2	1.1	2	1.1	-	-
All Agreements	69	125.9	13	10.1	31	104.3
Transportation, Communication and Other Utilities						
Agreements without COLA	40	97.7	62	131.3	28	70.9
Agreements with COLA	3	54.9	5	4.2	4	56.8
All Agreements	43	152.6	67	135.5	32	127.7
Trade; Finance, Insurance and Real Estate						
Agreements without COLA	13	15.4	16	30.8	28	53.3
Agreements with COLA	-	-	1	9.4	4	18.7
All Agreements	13	15.4	17	40.2	32	72.0
Community, Business and Personal Services						
Agreements without COLA	157	416.6	136	331.9	163	227.7
Agreements with COLA	2	1.1	2	1.1	2	3.4
All Agreements	159	417.6	138	333.0	165	231.1
Public Administration						
Agreements without COLA	40	117.0	46	148.2	45	70.5
Agreements with COLA	1	5.5	2	5.5	1	0.6
All Agreements	41	122.5	48	153.7	46	71.2

Table B-2 (continued)

**Number of Agreements and Employees Covered, by Major Industry Division,
with and without COLA, by Year and Quarter**

	1997				1998			
	3		4		1		2	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
	(000's)		(000's)		(000's)		(000's)	
All Industries								
Agreements without COLA	70	119.5	83	124.3	60	122.9	100	243.9
Agreements with COLA	6	15.1	9	59.4	4	3.2	15	15.2
All Agreements	76	134.6	92	183.7	64	126.1	115	259.1
Primary Industry								
Agreements without COLA	1	0.5	1	0.9	-	-	1	0.7
Agreements with COLA	1	1.4	-	-	-	-	-	-
All Agreements	2	1.9	1	0.9	-	-	1	0.7
Manufacturing								
Agreements without COLA	11	26.3	5	3.1	7	8.7	13	27.2
Agreements with COLA	2	1.5	4	3.2	3	2.7	13	14.1
All Agreements	13	27.8	9	6.3	10	11.3	26	41.2
Construction								
Agreements without COLA	5	10.6	10	12.4	1	13.0	15	25.3
Agreements with COLA	-	-	-	-	-	-	-	-
All Agreements	5	10.6	10	12.4	1	13.0	15	25.3
Transportation, Communication and Other Utilities								
Agreements without COLA	5	14.0	6	7.5	8	7.6	19	41.8
Agreements with COLA	1	0.7	1	47.9	1	0.5	-	-
All Agreements	6	14.7	7	55.4	9	8.1	19	41.8
Trade; Finance, Insurance and Real Estate								
Agreements without COLA	8	15.6	9	14.5	2	1.6	7	8.7
Agreements with COLA	2	11.5	2	7.2	-	-	-	-
All Agreements	10	27.1	11	21.7	2	1.6	7	8.7
Community, Business and Personal Services								
Agreements without COLA	27	35.7	34	50.0	25	59.9	33	100.0
Agreements with COLA	-	-	1	0.5	-	-	2	1.2
All Agreements	27	35.7	35	50.5	25	59.9	35	101.2
Public Administration								
Agreements without COLA	13	16.8	18	36.0	17	32.1	12	40.2
Agreements with COLA	-	-	1	0.6	-	-	-	-
All Agreements	13	16.8	19	36.6	17	32.1	12	40.2

Table B-3

**Effective Wage Adjustment in Base Rates, by Major Industry Division,
by Duration of Agreement, with and without COLA, Second Quarter 1998**

	17 Months or Less			18-29 Months		
	Number of Agreements	Number of Employees	Average Annual Adjustment	Number of Agreements	Number of Employees	Average Annual Adjustment
		(000's)	(%)		(000's)	(%)
All Industries						
Agreements without COLA	11	33.1	0.9	26	98.7	1.5
Agreements with COLA	1	2.5	0.0	-	-	-
All Agreements	12	35.6	0.9	26	98.7	1.5
Primary Industry						
Agreements without COLA	-	-	-	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	-	-	-
Manufacturing						
Agreements without COLA	3	20.3	0.0	3	1.9	2.1
Agreements with COLA	1	2.5	0.0	-	-	-
All Agreements	4	22.7	0.0	3	1.9	2.1
Construction						
Agreements without COLA	1	1.2	0.0	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	1	1.2	0.0	-	-	-
Transportation, Communication and Other Utilities						
Agreements without COLA	1	0.5	3.0	6	19.3	2.4
Agreements with COLA	-	-	-	-	-	-
All Agreements	1	0.5	3.0	6	19.3	2.4
Trade; Finance, Insurance and Real Estate						
Agreements without COLA	-	-	-	2	1.1	2.5
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	2	1.1	2.5
Community, Business and Personal Services						
Agreements without COLA	4	6.5	2.6	12	60.2	1.0
Agreements with COLA	-	-	-	-	-	-
All Agreements	4	6.5	2.6	12	60.2	1.0
Public Administration						
Agreements without COLA	2	4.7	2.6	3	16.3	2.1
Agreements with COLA	-	-	-	-	-	-
All Agreements	2	4.7	2.6	3	16.3	2.1

Table B-3 (continued)

**Effective Wage Adjustment in Base Rates, by Major Industry Division,
by Duration of Agreement, with and without COLA, Second Quarter 1998**

	30-41 Months			42 Months or More		
	Number of Agreements	Number of Employees	Average Annual Adjustment	Number of Agreements	Number of Employees	Average Annual Adjustment
		(000's)	(%)		(000's)	(%)
All Industries						
Agreements without COLA	50	92.4	2.0	13	19.6	1.4
Agreements with COLA	12	11.0	2.7	2	1.8	2.2
All Agreements	62	103.4	2.0	15	21.4	1.4
Primary Industry						
Agreements without COLA	1	0.7	2.8	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	1	0.7	2.8	-	-	-
Manufacturing						
Agreements without COLA	3	2.0	2.8	4	3.1	2.2
Agreements with COLA	11	10.4	2.8	1	1.2	2.5
All Agreements	14	12.4	2.8	5	4.3	2.3
Construction						
Agreements without COLA	14	24.1	2.1	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	14	24.1	2.1	-	-	-
Transportation, Communication and Other Utilities						
Agreements without COLA	12	22.0	1.9	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	12	22.0	1.9	-	-	-
Trade; Finance, Insurance and Real Estate						
Agreements without COLA	3	6.4	0.7	2	1.2	1.4
Agreements with COLA	-	-	-	-	-	-
All Agreements	3	6.4	0.7	2	1.2	1.4
Community, Business and Personal Services						
Agreements without COLA	12	20.5	2.6	5	12.9	1.2
Agreements with COLA	1	0.6	1.1	1	0.6	1.6
All Agreements	13	21.0	2.5	6	13.5	1.3
Public Administration						
Agreements without COLA	5	16.8	1.5	2	2.4	1.1
Agreements with COLA	-	-	-	-	-	-
All Agreements	5	16.8	1.5	2	2.4	1.1

Table B-4

**Effective Wage Adjustment in Base Rates, by Major Industry Division,
with and without COLA, Second Quarter 1998**

	Number of Agreements	Number of Employees	Average Annual Adjustment	First 12 Months	Average Agreement Duration
		(000's)	(%)	(%)	(Months)
All Industries					
Agreements without COLA	100	243.9	1.6	1.3	29.8
Agreements with COLA	15	15.2	2.2	1.9	32.6
All Agreements	115	259.1	1.6	1.4	29.9
Primary Industry					
Agreements without COLA	1	0.7	2.8	2.3	36.0
Agreements with COLA	-	-	-	-	-
All Agreements	1	0.7	2.8	2.3	36.0
Manufacturing					
Agreements without COLA	13	27.2	0.6	0.6	17.0
Agreements with COLA	13	14.1	2.3	2.0	32.0
All Agreements	26	41.2	1.2	1.1	22.2
Construction					
Agreements without COLA	15	25.3	2.0	1.5	34.9
Agreements with COLA	-	-	-	-	-
All Agreements	15	25.3	2.0	1.5	34.9
Transportation, Communication and Other Utilities					
Agreements without COLA	19	41.8	2.1	2.1	30.0
Agreements with COLA	-	-	-	-	-
All Agreements	19	41.8	2.1	2.1	30.0
Trade; Finance, Insurance and Real Estate					
Agreements without COLA	7	8.7	1.0	1.0	34.8
Agreements with COLA	-	-	-	-	-
All Agreements	7	8.7	1.0	1.0	34.8
Community, Business and Personal Services					
Agreements without COLA	33	100.0	1.4	1.1	31.1
Agreements with COLA	2	1.2	1.4	0.1	39.0
All Agreements	35	101.2	1.4	1.1	31.2
Public Administration					
Agreements without COLA	12	40.2	1.8	1.5	30.4
Agreements with COLA	-	-	-	-	-
All Agreements	12	40.2	1.8	1.5	30.4

Table C-1

**Effective Wage Adjustment in Base Rates, by Region/Jurisdiction,
by Year and Quarter**

	1995	1996	1997	1997		1998	
				3	4	1	2
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
All Sectors							
CANADA	0.9	0.9	1.6	1.3	1.7	1.8	1.6
<i>Atlantic</i>	0.9	1.8	1.3	3.6	1.1	2.2	1.4
Newfoundland	0.7	2.0	1.8	3.6	1.1	1.5	1.1
Prince Edward Island	1.7	1.7	-	-	-	-	2.1
Nova Scotia	1.2	1.7	2.0	-	2.0	2.8	1.9
New Brunswick	0.9	1.7	1.0	-	1.0	1.4	1.3
Quebec	0.8	1.7	2.3	1.1	1.6	1.0	0.5
Ontario	0.9	1.0	1.1	1.1	1.1	1.6	1.9
<i>Prairies</i>	0.3	0.6	2.0	2.2	2.2	1.8	2.4
Manitoba	0.4	0.2	1.1	1.5	1.4	2.5	1.3
Saskatchewan	1.9	1.1	1.0	-	1.0	1.6	2.0
Alberta	-0.3	1.0	2.4	2.4	2.8	1.8	2.7
British Columbia	1.3	0.6	1.4	1.6	0.9	0.6	0.8
More than One Province	1.1	2.3	2.8	0.0	3.2	-	-
Federal	1.0	0.5	1.8	1.5	1.9	1.6	2.0
Public Sector							
CANADA	0.6	0.5	1.2	0.9	1.6	1.8	1.7
<i>Atlantic</i>	0.6	1.4	1.4	3.6	1.4	2.2	1.5
Newfoundland	0.0	0.6	2.1	3.6	-	1.4	1.1
Prince Edward Island	-	1.7	-	-	-	-	2.1
Nova Scotia	-	-	1.8	-	1.8	2.9	1.9
New Brunswick	1.1	1.5	1.3	-	1.4	1.4	1.5
Quebec	0.7	1.4	1.2	0.7	0.7	1.0	0.7
Ontario	0.3	0.3	0.6	0.7	1.0	1.4	1.6
<i>Prairies</i>	0.3	0.4	1.7	1.5	2.1	1.7	2.3
Manitoba	0.3	0.0	1.0	1.5	1.3	1.2	1.2
Saskatchewan	1.9	0.9	0.9	-	1.0	1.6	2.0
Alberta	-0.7	0.7	2.2	1.4	2.7	1.8	2.7
British Columbia	1.2	0.5	0.9	1.3	0.6	0.6	0.4
More than One Province	-	-	-	-	-	-	-
Federal	0.9	0.1	1.6	0.0	1.9	2.0	2.0
Private Sector							
CANADA	1.4	1.8	2.1	1.5	1.8	1.7	1.4
<i>Atlantic</i>	1.4	2.1	1.2	-	0.8	1.8	0.7
Newfoundland	3.0	2.6	1.7	-	1.1	1.8	-
Prince Edward Island	1.7	-	-	-	-	-	-
Nova Scotia	1.2	1.7	2.1	-	2.1	1.4	1.9
New Brunswick	0.4	2.0	0.4	-	0.0	-	0.0
Quebec	1.5	2.2	2.6	1.2	1.9	1.4	0.4
Ontario	1.6	2.3	1.8	1.4	1.4	1.6	2.3
<i>Prairies</i>	0.7	2.1	2.5	2.5	2.9	4.9	2.5
Manitoba	0.9	2.0	1.8	-	1.8	4.9	1.9
Saskatchewan	2.5	2.0	1.4	-	-	-	2.8
Alberta	0.3	2.2	2.6	2.5	3.6	-	2.9
British Columbia	1.3	0.9	1.6	1.6	1.3	0.5	1.0
More than One Province	1.1	2.3	2.8	0.0	3.2	-	-
Federal	1.3	0.7	2.0	1.5	-	1.2	2.0

Table C-2

**Number of Agreements and Employees Covered, by Region/Jurisdiction,
by Year and Quarter**

	1995		1996		1997	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
	(000's)		(000's)		(000's)	
All Sectors						
CANADA	403	909.5	375	794.4	374	688.0
<i>Atlantic</i>	17	21.2	32	34.2	18	20.9
Newfoundland	4	7.1	9	8.0	5	6.1
Prince Edward Island	1	0.5	6	6.9	-	-
Nova Scotia	6	4.5	8	5.6	2	1.8
New Brunswick	6	9.1	9	13.8	11	13.0
Quebec	78	329.7	57	81.1	37	90.8
Ontario	141	214.6	144	293.7	172	234.8
<i>Prairies</i>	58	102.3	71	113.1	79	145.1
Manitoba	25	49.4	31	53.6	21	27.9
Saskatchewan	8	15.1	17	34.9	7	16.9
Alberta	25	37.8	23	24.6	51	100.2
British Columbia	66	89.7	30	188.4	35	70.3
More than One Province	11	13.1	2	1.6	7	7.7
Federal	32	138.8	39	82.2	26	118.4
Public Sector						
CANADA	216	630.9	210	550.0	219	368.3
<i>Atlantic</i>	6	12.4	11	18.0	8	10.9
Newfoundland	3	5.4	3	2.4	2	1.2
Prince Edward Island	-	-	6	6.9	-	-
Nova Scotia	-	-	-	-	1	0.6
New Brunswick	3	7.1	2	8.8	5	9.0
Quebec	54	302.5	20	46.0	16	19.4
Ontario	71	105.7	89	190.5	111	137.8
<i>Prairies</i>	39	80.6	55	98.7	55	100.6
Manitoba	19	41.9	25	48.5	18	24.0
Saskatchewan	6	13.8	13	30.4	4	14.5
Alberta	14	24.8	17	19.8	33	62.1
British Columbia	31	42.7	23	168.6	18	25.4
More than One Province	-	-	-	-	-	-
Federal	15	87.0	12	28.2	11	74.3
Private Sector						
CANADA	187	278.6	165	244.4	155	319.7
<i>Atlantic</i>	11	8.8	21	16.2	10	10.1
Newfoundland	1	1.8	6	5.6	3	4.9
Prince Edward Island	1	0.5	-	-	-	-
Nova Scotia	6	4.5	8	5.6	1	1.2
New Brunswick	3	2.0	7	5.0	6	4.0
Quebec	24	27.2	37	35.1	21	71.5
Ontario	70	108.9	55	103.2	61	97.1
<i>Prairies</i>	19	21.7	16	14.4	24	44.5
Manitoba	6	7.5	6	5.0	3	4.0
Saskatchewan	2	1.3	4	4.5	3	2.4
Alberta	11	12.9	6	4.8	18	38.1
British Columbia	35	47.1	7	19.8	17	44.9
More than One Province	11	13.1	2	1.6	7	7.7
Federal	17	51.8	27	54.1	15	44.1

Table C-2 (continued)

Number of Agreements and Employees Covered, by Region/Jurisdiction,
by Year and Quarter

	1997				1998			
	3		4		1		2	
	Number of	Number of	Number of	Number of	Number of	Number of	Number of	Number of
	Agreements	Employees	Agreements	Employees	Agreements	Employees	Agreements	Employees
	(000's)		(000's)		(000's)		(000's)	
All Sectors								
CANADA	76	134.6	92	183.7	64	126.1	115	259.1
<i>Atlantic</i>	1	0.7	12	13.1	12	42.8	12	30.8
Newfoundland	1	0.7	2	1.9	5	13.8	2	10.5
Prince Edward Island	-	-	-	-	-	-	1	1.4
Nova Scotia	-	-	2	1.8	5	22.9	4	7.9
New Brunswick	-	-	8	9.5	2	6.1	5	11.0
Quebec	7	8.9	5	12.4	8	13.2	21	45.4
Ontario	39	62.1	27	31.9	13	24.2	37	99.8
<i>Prairies</i>	6	9.7	28	42.3	19	35.3	25	45.1
Manitoba	1	2.3	12	17.7	4	4.6	5	4.1
Saskatchewan	-	-	1	0.6	2	12.9	5	13.4
Alberta	5	7.4	15	24.0	13	17.7	15	27.6
British Columbia	17	40.3	11	21.6	4	2.3	7	13.5
More than One Province	1	0.5	3	4.5	-	-	-	-
Federal	5	12.4	6	57.9	8	8.3	13	24.6
Public Sector								
CANADA	34	44.6	62	137.2	44	95.4	53	154.1
<i>Atlantic</i>	1	0.7	5	7.4	10	39.7	9	28.2
Newfoundland	1	0.7	-	-	4	11.3	2	10.5
Prince Edward Island	-	-	-	-	-	-	1	1.4
Nova Scotia	-	-	1	0.6	4	22.3	3	7.0
New Brunswick	-	-	4	6.8	2	6.1	3	9.3
Quebec	3	1.7	2	2.9	6	12.1	5	8.6
Ontario	19	28.6	19	22.2	5	4.6	9	61.8
<i>Prairies</i>	2	3.0	24	35.2	18	33.7	21	42.2
Manitoba	1	2.3	10	15.0	3	3.0	4	3.2
Saskatchewan	-	-	1	0.6	2	12.9	4	12.7
Alberta	1	0.7	13	19.7	13	17.7	13	26.3
British Columbia	8	10.0	6	11.6	3	1.8	2	5.2
More than One Province	-	-	-	-	-	-	-	-
Federal	1	0.6	6	57.9	2	3.6	7	8.0
Private Sector								
CANADA	42	90.1	30	46.5	20	30.6	62	104.9
<i>Atlantic</i>	-	-	7	5.8	2	3.1	3	2.6
Newfoundland	-	-	2	1.9	1	2.5	-	-
Prince Edward Island	-	-	-	-	-	-	-	-
Nova Scotia	-	-	1	1.2	1	0.6	1	0.9
New Brunswick	-	-	4	2.7	-	-	2	1.7
Quebec	4	7.2	3	9.4	2	1.1	16	36.8
Ontario	20	33.5	8	9.7	8	19.6	28	38.0
<i>Prairies</i>	4	6.7	4	7.1	1	1.6	4	2.9
Manitoba	-	-	2	2.7	1	1.6	1	0.9
Saskatchewan	-	-	-	-	-	-	1	0.7
Alberta	4	6.7	2	4.4	-	-	2	1.3
British Columbia	9	30.3	5	10.0	1	0.5	5	8.2
More than One Province	1	0.5	3	4.5	-	-	-	-
Federal	4	11.9	-	-	6	4.7	6	16.5

Table D

Major Wage Settlements, by Public and Private Sectors,
by Year and Quarter

Year	Public Sector				Private Sector				All Sectors				
	Agmts.	Dur.	Empls.	Avg. Adj.	Agmts.	Dur.	Empls.	Avg. Adj.	Agmts.	Dur.	Empls.	Avg. Adj.	
	(Months)	(000's)	(%)		(Months)	(000's)	(%)		(Months)	(000's)	(%)		
1978	369	17.2	885.3	7.1	308	22.6	429.8	8.7	677	18.9	1,315.2	7.6	
1979	317	24.3	756.0	9.5	252	27.2	387.0	11.1	569	25.3	1,142.9	10.0	
1980	325	26.0	919.4	10.9	233	27.5	298.8	11.7	558	26.3	1,218.2	11.1	
1981	290	18.9	577.6	13.1	210	27.3	323.4	12.6	500	21.9	901.0	13.0	
1982	319	14.6	865.1	10.4	189	25.2	282.2	9.5	508	17.2	1,147.3	10.2	
1983	458	19.6	1,241.6	4.6	200	25.0	302.8	5.5	658	20.6	1,544.3	4.8	
1984	277	17.0	637.4	3.9	282	26.1	518.8	3.2	559	21.1	1,156.2	3.6	
1985	316	21.7	566.8	3.8	200	30.1	271.8	3.3	516	24.5	838.6	3.7	
1986	322	25.4	711.2	3.6	231	26.0	410.2	3.0	553	25.6	1,121.5	3.4	
1987	270	29.4	824.3	4.1	208	31.4	287.0	3.8	478	29.9	1,111.3	4.0	
1988	301	24.0	698.6	4.0	241	27.2	484.1	5.0	542	25.3	1,182.7	4.4	
1989	295	30.0	737.6	5.2	158	28.5	264.2	5.2	453	29.6	1,001.8	5.2	
1990	283	27.4	677.8	5.6	224	29.7	468.5	5.7	507	28.4	1,146.4	5.6	
1991	365	16.0	1,121.7	3.4	182	29.2	224.0	4.4	547	18.2	1,345.6	3.6	
1992	302	21.7	977.3	2.0	194	32.2	329.5	2.5	496	24.3	1,306.8	2.1	
1993	347	23.4	1,012.0	0.6	172	25.2	401.0	0.8	519	23.9	1,413.0	0.6	
1994	299	26.5	719.8	0.0	135	34.5	222.8	1.2	434	28.4	942.6	0.3	
1995	216	31.5	630.9	0.6	187	35.8	278.6	1.4	403	32.8	909.5	0.9	
1996	210	31.8	550.0	0.5	165	34.9	244.4	1.8	375	32.7	794.4	0.9	
1997	219	30.1	368.3	1.2	155	34.0	319.7	2.1	374	31.9	688.0	1.6	
1998*	97	33.4	249.6	1.8	82	29.1	135.6	1.5	179	31.9	385.1	1.7	
* Year to Date													
Quarter													
1995	I	41	28.2	138.1	0.6	36	33.8	45.8	1.9	77	29.6	183.9	0.9
	II	58	30.7	96.0	0.8	65	34.9	92.5	1.3	123	32.8	188.5	1.0
	III	34	28.8	87.5	0.4	59	38.2	113.4	1.2	93	34.2	201.0	0.9
	IV	83	33.9	309.2	0.7	27	31.6	26.8	1.6	110	33.7	336.0	0.7
1996	I	51	43.6	120.5	0.2	33	33.1	46.8	1.3	84	40.7	167.3	0.5
	II	74	27.7	279.9	0.5	48	37.5	46.6	1.6	122	29.1	326.5	0.7
	III	47	28.9	74.9	0.5	49	29.0	64.9	1.8	96	29.0	139.8	1.1
	IV	38	30.8	74.8	0.8	35	38.9	86.0	2.1	73	35.1	160.8	1.5
1997	I	52	29.5	88.2	1.0	30	36.5	40.4	2.1	82	31.7	128.6	1.3
	II	71	26.0	98.3	0.8	53	26.1	142.8	2.5	124	26.1	241.1	1.8
	III	34	31.0	44.6	0.9	42	37.0	90.1	1.5	76	35.0	134.6	1.3
	IV	62	33.2	137.2	1.6	30	50.4	46.5	1.8	92	37.5	183.7	1.7
1998	I	44	36.3	95.4	1.8	20	34.6	30.6	1.7	64	35.9	126.1	1.8
	II	53	31.6	154.1	1.7	62	27.6	104.9	1.4	115	29.9	259.1	1.6

Agmts. - Number of Agreements
 Avg. Adj. - Average Annual Adjustment
 Dur. - Average Agreement Duration
 Empls. - Number of Employees

TECHNICAL NOTES

The information in this report is produced from collective agreement settlements in Canada which cover 500 or more employees in all industries. A few settlements are excluded where the basis of payment is on a piece/mileage rate basis.

The construction industry is excluded prior to 1983.

The Base Rate

The base rate is the lowest paid classification used for qualified workers in the bargaining unit. In most instances, the base rate is the rate of pay for an unskilled or semi-skilled classification of workers. However, this is not the case in contracts covering only skilled workers and professional employees.

As only the base rate in a contract is used, the resulting data on percentage change do not necessarily reflect the average wage change for all workers in the bargaining unit. For example, where an across-the-board increase is negotiated for all classifications in cents per hour (or other money terms), measurement on the base rate produces higher results than measurement on any higher rate, including the average rate. Where varying percentage or money increases are negotiated for different classifications, measurement on the base rate may produce results that are higher or lower than measurement on the average rate. Where an across-the-board increase is negotiated for all classifications in percentage terms, measurement on the base rate produces results identical to measurement on any other rate, including the average rate. It should be noted that information on the average rate for all employees in a bargaining unit is not available.

Effective Wage Increase

The effective wage increase is the increase in rates of pay including estimated cost-of-living allowance (COLA) payments. Estimates of the yield of COLA clauses are obtained by quantifying the characteristics of these clauses in each agreement and applying a combination of actual Consumer Price Index (CPI) increases available to date plus a specified projected inflation rate for the remainder of the contract duration.

In succeeding quarters, these estimates are revised using actual CPI values as they become available.

In the current report, an inflation projection of two per cent has been used when the actual rate is unknown. This figure is based on a rounded average of inflation forecasts and is intended for illustrative purposes only and does not constitute an official forecast by Human Resources Development Canada. The use of different inflation rate scenarios could result in varying settlement increases. The inflation projection used will be revised periodically to reflect prevailing economic conditions.

By including reasonable estimates of future payments under COLA clauses, the effective wage increase concept facilitates an accurate comparison of agreements with and without COLA and permits the aggregation of all agreements to yield an improved measure of wage settlements.

Public and Private Sectors

The principal unit of observation is the collective bargaining unit; however, the designation for inclusion in the public sector is by reference to characteristics of the employer with whom a bargaining unit negotiates. Reference to the employer characteristics makes the directives consistent with Statistics Canada's use of "institutional units" or "entities".

While the criteria relate to the classification of the public sector only, *the private sector is defined by exclusion.*

Public sector bargaining units negotiate wages or other working conditions with an employer who is part of, or an agent of, a government or a government business enterprise. The distinction between the two is whether the activity engaged in is "non-commercial" (Government) or "commercial" (Government Business Enterprise).

Government (Non-Commercial)

The government component comprises all non-commercial entities controlled by governments and mainly financed out of general taxation or other public

funds. These entities provide goods and/or services free or at non-market prices (not having a view to profit).

Sub-sectors of the government component are identified below:

(1) Federal Government

Collective bargaining in the Federal Government component is conducted under the *Public Service Staff Relations Act* (Parts 1 and 2), and the *Parliamentary Employment and Staff Relations Act*.

(2) Provincial and Territorial Governments

- (a) provincial and territorial government administration;
- (b) health, education and social services agencies or institutions
 - (i) public hospitals,
 - (ii) provincial residential care facilities,
 - (iii) universities,
 - (iv) colleges, vocational and trade institutions,
 - (v) social services business enterprise,
 - (vi) provincial elementary and secondary schools.

(3) Local Government Administration

- (a) local government organizations such as: municipalities, boards, commissions;
- (b) school boards;
- (c) social services: establishments at the local level primarily engaged in providing basic domiciliary care only, such as homes for the aged, blind or senile, boarding houses for the aged, day nurseries, shelters, etc.

Government Business Enterprise (Commercial)

The commercial component of the public sector is divided into three broad sub-groupings, based on

degree of governmental control, as follows:

(1) Direct Control

A commercial enterprise is directly controlled by a government if one of the following conditions is met:

- (a) a government holds more than 50 per cent of its voting equity, directly;
- (b) a government has irrevocable options or the right to acquire shares, or convertible debt or equity, exercisable at the discretion of that government.

(2) Effective Control

A commercial enterprise is effectively controlled by a government if one of the following conditions is met:

- (a) the government holds a significant voting ownership in a public enterprise, where significant is understood as:
 - (i) the holding is the largest block of voting equity; and
 - (ii) the holding exceeds 33.3 per cent of the voting equity; and
 - (iii) the block is larger than the combined percentage of the next two largest blocks;
- (b) the commercial enterprise declares that it is effectively controlled by a government;
- (c) there exists a method or variety of methods (e.g. significant voting ownership of the enterprise, technological agreements, supply controls or contracts, management contracts, interlocking directorships, etc.)

(3) Indirect Control

A business enterprise is indirectly controlled by a government if that government directly or effectively controls a government business enterprise, which in turn directly or effectively controls that enterprise.

SECTION 2

EXPIRIES AND REOPENERS* OF MAJOR COLLECTIVE AGREEMENTS IN OCTOBER, NOVEMBER AND DECEMBER 1998

* Collective agreement may be reopened to negotiate *¹wage provisions and/or *²other provisions.

Company and Location	Union and Occupation	Number of Employees	Industry
OCTOBER 1998			
NOVA SCOTIA			
Maritime Telegraph & Telephone Company Limited, province-wide	Atlantic Communications and Technical Workers' Union (Ind.) (plant, maintenance, office and clerical employees)	1,500	Communications
QUEBEC			
Zinc électrolytique du Canada limitée, Valleyfield	United Steelworkers of America (AFL-CIO/CLC) (production employees)	540	Manufacturing
ONTARIO			
Maple Lodge Farms Ltd., Norval	United Food and Commercial Workers Intl. Union (AFL-CIO/CLC) (plant, maintenance and delivery employees)	1,150	Manufacturing
Niagara Parks Commission, Niagara area	Ont. Public Service Employees Union (NUPGE) (CLC) (park employees)	780	Public Admin.
Quality Meat Packers Ltd., Metropolitan Toronto	United Food and Commercial Workers Intl. Union (AFL-CIO/CLC) (plant and maintenance employees)	700	Manufacturing
ALBERTA			
Levi Strauss & Co. (Canada) Inc., Edmonton	United Food and Commercial Workers Intl. Union (AFL-CIO/CLC) (plant and maintenance employees)	515	Manufacturing
BRITISH COLUMBIA			
British Columbia Ferry Corporation, B.C. Coast	B.C. Ferry and Marine Workers Union (CLC) (licensed personnel and unlicensed personnel)	4,300	Transportation

Primary Ind. - Primary Industries

Public Admin. - Public Administration

Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
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MORE THAN ONE PROVINCE

Air Canada, system-wide	Cdn. Union of Public Employees (CLC) (flight attendants)	4,730	Transportation
Government of Canada, Canada-wide	Aircraft Operations Group Assn. (Ind.) (inspectors and test pilots)	550	Transportation

NOVEMBER 1998

QUEBEC

Associated Clothing Manufacturers of the Province of Quebec Inc., Montreal Clothing Contractors' Association and three other associations, Montreal and area	Union of Needletrades, Industrial and Textile Employees (AFL-CIO/CLC) (production employees)	3,500	Manufacturing
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BRITISH COLUMBIA

Pacific Press Limited, Vancouver	Joint Council of Newspaper Unions including The Newspaper Guild - Cdn. Region (AFL-CIO/CLC), Graphic Communications Intl. Union (AFL-CIO/CLC), Intl. Brotherhood of Electrical Workers (AFL-CIO/CLC), Intl. Assn. of Machinists and Aerospace Workers (AFL-CIO/CLC) and Communications Workers of America (AFL-CIO/CLC) (print media employees)	1,200	Manufacturing
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MORE THAN ONE PROVINCE

Bell Canada, province-wide, QC and Ont.	Communications, Energy and Paperworkers Union of Canada (CLC) (operator services, craft and service employees)	12,600	Communications
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Primary Ind. - Primary Industries
 Public Admin. - Public Administration
 Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
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DECEMBER 1998

NEWFOUNDLAND

Abitibi-Price Inc., Grand Falls	Communications, Energy and Paperworkers Union of Canada (CLC) (woods employees and general tradesmen)	600	Primary Ind.
Corner Brook Pulp and Paper Limited, Corner Brook	Communications, Energy and Paperworkers Union of Canada (CLC) (woods employees)	700	Primary Ind.

PRINCE EDWARD ISLAND

Cavendish Farms, New Annan	United Food and Commercial Workers Intl. Union (AFL-CIO/CLC) (plant and maintenance employees)	520	Manufacturing
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NOVA SCOTIA

Cape Breton Development Corporation (Coal Division), Glace Bay, New Waterford, Sydney and Sydney Mines	United Mine Workers of America (CLC) (mine employees)	1,300	Primary Ind.
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NEW BRUNSWICK

Connors Bros. Limited, Blacks Harbour	Charlotte Seafood Employees Assn. (Ind.) (plant and maintenance employees)	1,200	Manufacturing
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QUEBEC

Associated Clothing Manufacturers of the Province of Quebec, Inc. and Quebec Fashion Apparel Manufacturers' Guild, province-wide	Union of Needletrades, Industrial and Textile Employees (AFL-CIO/CLC) (production employees)	15,570	Manufacturing
Corporation des concessionnaires automobiles de Montréal inc., Montreal	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CLC) (hourly rated employees)	18,000	Trade

Primary Ind. - Primary Industries
Public Admin. - Public Administration
Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
QUEBEC (continued)			
Corporation des concessionnaires d'automobiles du Saguenay-Lac-St-Jean, Saguenay-Lac-St-Jean Region	Fédération démocratique de la métallurgie, des mines et des produits chimiques (CSD) (customer service)	2,200	Trade
Government of Quebec, province-wide	Quebec Union of Prison Guards (Ind.) (correctional officers)	1,450	Public Admin.
*1 Laval University, Quebec	Syndicat des professeurs et professeures de l'Université Laval (Ind.) (professors)	1,350	Services
Montreal South Shore Transit Commission, Longueuil	Cdn. Union of Public Employees (CLC) (bus drivers)	530	Transportation
Montreal Urban Community, Montreal	Montreal Urban Community Policemen's and Policewomen's Brotherhood Inc. (Ind.) (police officers)	4,160	Public Admin.
Quebec Area Automobile Dealers Corporation, Quebec	Fédération démocratique de la métallurgie, des mines et des produits chimiques (CSD) (customer service)	6,600	Trade
Société du parc des Îles, Montreal	Fédération des employé(e)s de services publics inc. (CNTU) (service and maintenance employees)	550	Services
Vidéotron Itée, Montreal and Sherbrooke	Cdn. Union of Public Employees (CLC) (administrative services employees)	1,150	Communications
ONTARIO			
Better Beef Limited, Guelph	United Food and Commercial Workers Intl. Union (AFL-CIO/CLC) (production employees)	600	Manufacturing
Brewers Retail Inc., province-wide	United Food and Commercial Workers Intl. Union (AFL-CIO/CLC) (office, warehouse, retail and casual employees)	5,000	Trade

* Collective agreement may be reopened to negotiate **1 wage provisions* and/or **2 other provisions*.

Primary Ind. - Primary Industries
Public Admin. - Public Administration
Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
ONTARIO (continued)			
Canadian Fabricated Products Ltd. (Subsidiary of Johnson Controls Inc.), Stratford	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CLC) (plant and maintenance employees)	750	Manufacturing
Children's Aid Society of Metropolitan Toronto, Metropolitan Toronto	Cdn. Union of Public Employees (CLC) (office and clerical employees and social workers)	510	Services
City of Windsor, Windsor	Cdn. Union of Public Employees (CLC) (inside employees)	1,100	Public Admin.
Custom Trim Ltd., Waterloo	United Steelworkers of America (AFL-CIO/CLC) (plant and maintenance employees)	1,140	Manufacturing
Extendicare (Canada) Inc., Diversicare I Limited Partnership, Versa-Care Limited and several individual nursing homes, province-wide	Service Employees Intl. Union (AFL-CIO/CLC) (full- and part-time service employees)	3,030	Services
Government of Ontario, province-wide	Ont. Public Service Employees Union (NUPGE) (CLC) (administrative services, correctional services, technical services, institutional and health care services, operational and maintenance services and office administration services)	64,060	Public Admin.
Government of Ontario, province-wide	Professional Engineers and Architects of the Ont. Public Service (Ind.) (engineers)	650	Public Admin.
Hand Association of Sewer Watermain and Road Contractors, Hamilton and other centres	Laborers' Intl. Union of North America (AFL-CIO/CLC) (labourers)	900	Construction
Lear Corporation, Kitchener	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CLC) (plant and maintenance employees)	600	Manufacturing

Primary Ind. - Primary Industries

Public Admin. - Public Administration

Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
ONTARIO (continued)			
Med-Chem Laboratories/Medical Sciences Lab of Newmarket Ltd., Metropolitan Toronto	Brewery, General and Professional Workers Union (CLC) (technical employees)	700	Services
Ontario Housing Corporation and all local housing authorities, province-wide	Cdn. Union of Public Employees (CLC) (administrative services employees, service and maintenance employees)	930	Public Admin.
Ontario Hydro, province-wide	Society of Ont. Hydro Professional Administrative Employees (Ind.) (scientific and other professionals and administrative services employees)	5,570	Other Utilities
Ontario Jockey Club (thorough and standard bred), province-wide	Service Employees Intl. Union (AFL-CIO/CLC) (full- and part-time racetrack employees)	720	Services
Paragon Protection Ltd., province-wide	United Food and Commercial Workers Intl. Union (AFL-CIO/CLC) (security guards)	650	Services
Regional Municipality of Niagara, Thorold and area	Cdn. Union of Public Employees (CLC) (inside and outside employees)	680	Public Admin.
Regional Municipality of Waterloo, Waterloo and area	Cdn. Union of Public Employees (CLC) (inside employees)	570	Public Admin.
Textron Automotive Interiors, Port Hope	United Steelworkers of America (AFL-CIO/CLC) (plant and maintenance employees)	970	Manufacturing
Toronto Public Library Board, Toronto	Cdn. Union of Public Employees (CLC) (librarians, office and clerical employees)	640	Services
York Region Board of Education, Aurora and area	Cdn. Union of Public Employees (CLC) (maintenance employees)	690	Services
York Region Board of Education, Aurora and area	Cdn. Union of Public Employees (CLC) (office and clerical employees)	780	Services
York Region Roman Catholic Separate School Board, Gormley and area	Cdn. Union of Public Employees (CLC) (office, clerical, and technical employees and teaching assistants)	590	Services

Primary Ind. - Primary Industries
 Public Admin. - Public Administration
 Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
MANITOBA			
Manitoba Telecom Services Inc. and MTS NetCom Inc., province-wide	Communications, Energy and Paperworkers Union of Canada (CLC) (operator services, office and clerical employees)	1,700	Communications
SASKATCHEWAN			
University of Regina, Regina	University of Regina Faculty Assn. (Ind.) (professors, librarians and laboratory employees)	600	Services
ALBERTA			
Alberta Power Limited, province-wide	Alta. Power Empls' Assn. (Ind.) (plant, maintenance, office and clerical employees)	990	Other Utilities
City of Calgary, Calgary	Cdn. Union of Public Employees (CLC) (outside employees)	1,700	Public Admin.
Delta Catalytic Industrial Services Ltd. (Maintenance Agreement), Mildred Lake (Syncrude Canada Ltd.), Tar Island (Suncor Inc.) and other centres	Intl. Assn. of Heat and Frost Insulators and Asbestos Workers (AFL-CIO), Intl. Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers (AFL-CIO), Intl. Assn. of Bridge, Structural and Ornamental Iron Workers (AFL-CIO), United Brotherhood of Carpenters and Joiners of America (AFL-CIO/CLC), Intl. Brotherhood of Electrical Workers (AFL-CIO/CLC), Intl. Union of Operating Engineers (AFL-CIO), Laborers' Intl. Union of North America (AFL-CIO/CLC), Sheet Metal Workers Intl. Assn. (AFL-CIO/CLC), Intl. Brotherhood of Painters and Allied Trades (AFL-CIO/CLC), Operative Plasterers and Cement Masons Intl. Assn. of the US and Canada (AFL-CIO), United Assn. of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the U.S. and Canada (AFL-CIO) and Intl. Brotherhood of Teamsters (AFL-CIO/CLC) (service and maintenance employees)	870	Primary Ind.

Primary Ind. - Primary Industries

Public Admin. - Public Administration

Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
ALBERTA (continued)			
Epcor Utilities Inc., Edmonton	Intl. Brotherhood of Electrical Workers (AFL-CIO/CFL) (utility workers)	600	Other Utilities
TELUS Communications (Edmonton) Inc., Edmonton	Civic Service Union No. 52 (Ind.) (administrative services employees)	1,100	Communications
TELUS Communications (Edmonton) Inc., Edmonton	Intl. Brotherhood of Electrical Workers (AFL-CIO/CLC) (service and maintenance employees)	550	Communications
TransAlta Utilities Corporation and Farm Electric Services Ltd., province-wide	TransAlta Employees' Assn. (Ind.) (office, clerical, technical and field support employees)	1,015	Other Utilities
BRITISH COLUMBIA			
BC Tel, BC Tel Mobility Cellular, BC Tel Mobility Paging, Canadian Telephones and Supplies Ltd., Telecom Leasing Canada (TLC) Limited, BC Tel Systems Support Inc. and ISM Information Systems Management (BC) Corporation, province-wide	Telecommunications Workers Union (CLC) (operator services, office, clerical, plant and maintenance employees)	10,600	Communications
Board of School Trustees of School District No. 36, Surrey	Cdn. Union of Public Employees (CLC) (office, clerical and building maintenance employees)	2,100	Services
Board of School Trustees of School District No. 41, Burnaby	Cdn. Union of Public Employees (CLC) (office, clerical and building maintenance employees)	620	Services
Board of School Trustees of School District No. 43, Coquitlam	Cdn. Union of Public Employees (CLC) (office and clerical employees and service and maintenance employees)	800	Services
Board of School Trustees of School District No. 44, North Vancouver	Cdn. Union of Public Employees (CLC) (office, clerical and building maintenance employees)	750	Services
British Columbia Maritime Employers Association, B.C. Coast	Intl. Longshore and Warehousemen's Union (CLC) (longshoremen)	4,000	Transportation
Primary Ind. - Primary Industries Public Admin. - Public Administration Services - Community, Business and Personal Services			

Company and Location	Union and Occupation	Number of Employees	Industry
BRITISH COLUMBIA (continued)			
Corporation of the District of Saanich & the Police Board of the Corporation of the District of Saanich, Saanich	Cdn. Union of Public Employees (CLC) (inside and outside employees)	860	Public Admin.
Government of British Columbia, province-wide	Union of Psychiatric Nurses (CLC) and B.C. Nurses Union (CLC) (nurses)	1,250	Services
Waterfront Foremen Employers Association, Vancouver, Victoria and other ports	Intl. Longshore and Warehousemen's Union (CLC) (foremen)	500	Transportation
MORE THAN ONE PROVINCE			
Alberta Wheat Pool, various locations, Alta. & B.C.	Grain Services Union (CLC) (grain elevator employees)	500	Transportation
Canadian Film and Television Production Association, system-wide	Writers Guild of Canada (Ind.) (writers)	800	Services
Canadian Pacific Limited, system-wide	Cdn. Council of Railway Operating Unions representing Intl. Brotherhood of Locomotive Engineers (AFL-CIO/CLC) and United Transportation Union (AFL-CIO/CLC) (yardmen)	4,280	Transportation
Greyhound Canada Transportation Corp., various centres, Ont., Man., Sask., Alta., B.C. and Yukon	Amalgamated Transit Union (AFL-CIO/CLC) (bus drivers, technical, service, terminal and maintenance employees)	1,400	Transportation
St. Lawrence Seaway Authority, QC and Ont.	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CLC) (service and maintenance employees)	600	Transportation

Primary Ind. - Primary Industries

Public Admin. - Public Administration

Services - Community, Business and Personal Services

SELECTED PROVISIONS IN MAJOR COLLECTIVE AGREEMENTS*

Wage Incentive Plans – 1988 to 1998

Blair Fawcett, Industrial Relations Analyst

Work Stoppages, Labour Organizations and Collective Agreement Analysis Section

Workplace Information Directorate

Labour Program, Human Resources Development Canada

Introduction

This article presents a brief analysis of four of the basic types of wage incentive plans contained in major collective agreements monitored by the Workplace Information Directorate (WID) : piece rate, group incentives, gain sharing and profit-sharing.

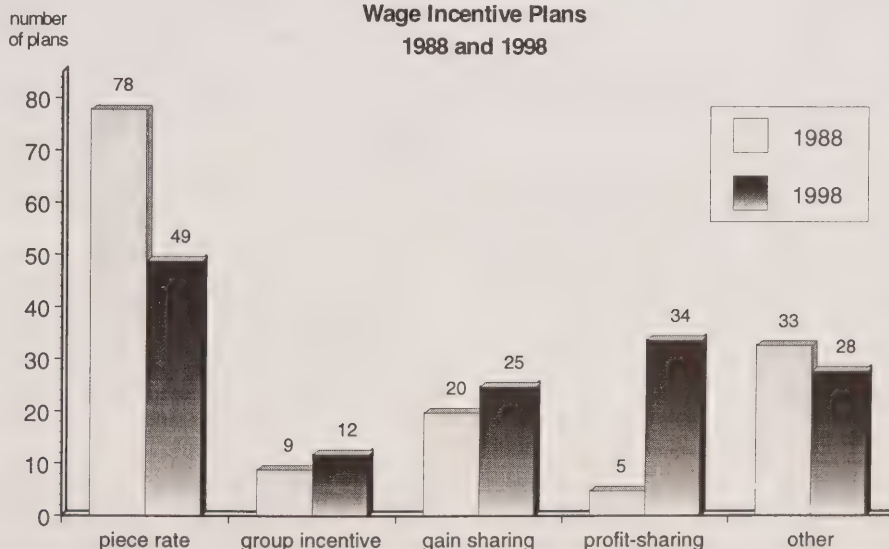
The diversity of incentive plans is almost limitless, therefore, the definitions and descriptions provided depict what may be considered “typical” wage incentive plans. Also provided with the descriptions is a short statistical overview of WID data base information

relating to each of the four types of plans. Incentives plan data in effect in January 1998 is compared with corresponding information from January 1988.

Piece Rate Incentives

A piece rate or individual incentive system is perhaps the oldest and most common form of wage incentive plan. Piecework rewards employees for their individual effort. A worker is generally paid on a piece-by-piece basis, or a bonus per unit of his/her output in excess of a base production rate. In some situations,

Chart A
Wage Incentive Plans
1988 and 1998



Source: Workplace Information Directorate

* Major collective agreements are those covering 500 or more employees.

individual incentives can be quite appropriate, particularly when employees work independently, without the need to coordinate their activities. Also of importance for such incentive plans to operate properly are good and “fair” measures of performance.

As long as good measures of performance can be maintained and there is no great need for teamwork or cooperation on the job, individual incentives can work quite effectively. Substantial production increases are often realized after the initial introduction of piece rate incentives. However, over time, individual incentives may become increasingly more difficult to administer, as base rate standards must be restudied to keep them in line with work method modifications and improvements to technology. Setting of reasonable or “fair” base rates of performance have often proven to be difficult issues to resolve between the company and employees.

Piece rate incentive systems are often based on the premise that if jobs involve simple or routine tasks, then the incentive plan should motivate workers to produce maximum units. The company should therefore prosper as a result.

- In 1988, 78 piece rate incentive plans were identified in major collective agreements. Approximately 124,400 employees¹ were covered by these agreements.
- In 1998, the number of piece rate plans identified fell to 49, with a resultant drop in eligibility coverage to 93,000 workers.
- The majority of agreements containing individual incentive plans in both 1988 and 1998 were in the Manufacturing Sector. The number of piecework plans identified in this Sector dropped substantially over the ten-year period, from 57 in 1988 to 29 in 1998.

Group Incentives

Group incentives are similar in many ways to piece rate incentives, however, instead of a bonus based on the output of an individual, it is paid on the output

of the group as a whole. The group may include sections of a plant, the entire plant or the whole company.

This type of incentive often consists of a “group” that works in a single department or on a single process or product. Measuring standards are often similar to those utilized in individual piece rate incentive plans.

Group incentives are generally more effective when job assignments are so interrelated that measurement of a single worker’s contribution to total production is difficult to measure. One advantage to group incentives is that workers who provide essential support services to production workers, may also be rewarded with incentive pay. Under an ordinary piece rate plan, support workers would be paid only their regular daily rates.

Employee cooperation is encouraged through the use of group incentives, whereas piece rate incentives tend to focus only on the performance of the individual. There is less controversy concerning preferred work locations, job assignments and materials, knowing that all members of the “group” will share in the final result, i.e., the bonus.

Drawbacks to group incentives are similar to those of piece rate systems. Changes in technology and working procedures may require the reassessment of performance measures, possibly resulting in conflicts between company and employee concerning the setting of new standards. Another potential problem with group incentive systems is a situation where some employees may not work up to the level of their colleagues. These workers are, however, often pressured to increase their production to the levels of their co-workers.

- The incidence of group incentive plans increased slightly, from nine in 1988 to 12 in 1998. However, the number of employees entitled to participate in this type of plan more than tripled, from approximately 9,000 workers in 1988 to over 32,000 in 1998.
- Many of these plans were again identified in Manufacturing industries, however, four group incentive plans in the Transportation sector accounted for the 1988-1998 increase.

¹ Employee coverage data refers to the total number of employees covered by collective agreements.

Gain Sharing Incentives

Gain sharing incentives generally represent a payment to the employee of a share of financial gains associated with improvements in organizational performance measures.

This type of plan involves employees in improving performance through better use of labour, capital, materials or energy. The company may set goals which are above previous performance levels and when these goals are met or exceeded, shares part of the resultant savings from performance gains with employees in the form of a cash bonus. These goals do not have to be limited to increases in company profits.

Some plans, such as the Scanlon Plan, devised in the 1930's, are aimed primarily at reducing labour costs. The incentive bonus is awarded to employees when the ratio of labour costs to production meets a predetermined goal.

Other gain sharing models, such as the Rucker Plan, focus not only on labour savings, but on a variety of financial factors. The basic premise behind gain sharing plans is for the employee to participate in procedures intended to make the company's products cheaper to produce and to share in the resultant economic gain.

Also of importance towards the success of a gain sharing program is ensuring that both employee and management have a sound knowledge of how the program works and what role they play in making it successful. This is usually accomplished through committees established to ensure that employees have an understanding of the key aspects of business principles, strategies and gain sharing concepts. When properly trained, employees are encouraged to participate in decision-making processes and to become involved as part of the team. Teamwork is considered extremely important in the development of a successful gain sharing program.

Continued follow-up communication between management and employee concerning practice improvements and modifications to formulas as required, is also considered an important feature of a successful gain sharing program.

- Twenty gain sharing plans were reported in 1988, compared with 25 in 1998. All of the 1988

plans existed in two industrial sectors – Manufacturing with 14 and Mines with six. The number of 1998 plans in these two industrial sectors dropped to nine and two respectively.

- Nine collective agreements in the Transportation industry, three in the Community, Business and Personal Services industry and two in Public Administration contained gain sharing plans in 1998, whereas none had been reported for these industries in 1988.
- The over-all employee eligibility coverage rose from 22,400 in 1988 to 32,600 in 1998.

Profit-Sharing Incentives

Profit-sharing incentive plans basically provide employees with a bonus which is usually based on some percentage of the company profits, or profits in excess of a previously agreed upon minimum.

Unlike the other types of wage incentive plans discussed above, profit-sharing does not require recalculation of benefit formulas due to changes in technology, price, product mix or work method modifications.

Positive aspects of profit-sharing plans are similar in some ways to those of gain sharing plans discussed above, i.e., productivity and quality improvement, better employee relations, labour cost reduction, etc.

Plans may be designed in many different forms and, as is the case for wage incentive programs in general, each profit-sharing plan has its own unique characteristics. In a typical profit-sharing program, bonus money may be paid directly to the employee as it is earned or it may be deferred to some later date, such as retirement. Some programs may do both, i.e., pay a specified percentage of the bonus as cash and defer the remainder. The plan may provide the sole funding of a company pension fund or exist as an addition to the traditional pension plan.

Profit-sharing programs are designed to encourage teamwork and to make employees feel like they are partners in the company. They enable companies to compensate employees over and above their base salaries or wages, without increasing fixed costs and at the same time increasing profitability and productivity.

- The number of profit-sharing plans reported in collective agreements increased from five in 1988 to 34 in 1998.
- The largest sectoral increase was in the Manufacturing industry, from three in 1988 to 15 in 1998. The Transportation industry, which had no such incentive plans reported in 1988 had 11 in 1998. Mines, Trade and Community, Business and Personal Services accounted for the other eight plans in 1998.
- Employee coverage for profit-sharing plans also increased sharply over the ten-year period, from 5,300 in 1988 to 56,400 in 1998.

Observations

In January 1988, there was a total of 145 wage incentive plans identified in collective agreements monitored by WID; these agreements covered approximately 181,340 employees. The total number of incentive plans increased marginally to 148 by January 1998, while the coverage rose by approximately 12 per cent to 203,880 employees.

There was a significant increase in the number of "team-oriented" wage incentive plans identified between 1988 and 1998, particularly profit-sharing (5 to 34) and, to a lesser degree, gain sharing (20 to 25) and group incentives (9 to 12). Over the same ten-year period a considerable decrease (37 per cent) was observed in the incidence of individual-based piece rate plans (78 to 49).

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The Workplace Information Directorate will continue to provide a synopsis of innovative workplace practices reported in recent settlements in future issues of the Workplace Gazette. For more in-depth analysis on workplace innovations, please consult the Workplace Innovations - 1996 Overview available in electronic format on diskette or via the Internet, or contact the Workplace Information Directorate directly at 1 800 567-6866 or (819) 997-3117.

WORK STOPPAGES* – SEMI-ANNUAL OVERVIEW – 1998 AND CHRONOLOGICAL PERSPECTIVE

Blair Fawcett, Industrial Relations Analyst

Work Stoppages, Labour Organizations and Collective Agreement Analysis Section

Workplace Information Directorate

Labour Program, Human Resources Development Canada

Summary

- Time not worked as a result of strikes and lockouts during the first six months of 1998 amounted to 869,313 person-days. This total is somewhat lower than the 1988-1997 first six-month average of 1,336,590 person-days lost.
- A total of 83,888 workers was involved in labour disputes during the first half of 1998, also somewhat lower than the previous ten year first-half average of 99,471.
- The 167 stoppages occurring during the first six months of 1998 also marks the lowest first half stoppage total registered over the past ten years, and is roughly 60 per cent of the 1988-1997 six-month average of 265 stoppages.

Table A

Work Stoppages by Jurisdiction - 1998

Jurisdiction	Ongoing during the second quarter			Cumulative to June 30, 1998		
	Stoppages	Workers Involved	Person-Days Not Worked	Stoppages	Workers Involved	Person-Days Not Worked
Newfoundland	1	22	130	4	615	1,680
Prince Edward Island	-	-	-	-	-	-
Nova Scotia	2	1,147	9,940	2	1,147	13,550
New Brunswick	1	40	2,520	1	40	5,040
Quebec	49	12,699	105,100	65	13,530	173,610
Ontario	52	20,608	221,260	66	22,933	333,690
Manitoba	3	263	1,300	4	286	1,450
Saskatchewan	1	31	40	2	211	11,360
Alberta	5	1,738	22,388	7	3,234	37,098
British Columbia	5	29,500	50,700	7	36,005	222,820
More Than One Province	1	4,520	54,240	1	4,520	54,240
Total Provinces	120	70,568	467,618	159	82,521	854,538
Canada Labour Code - Part I	6	1,344	10,645	8	1,367	14,775
Federal Administration	-	-	-	-	-	-
Federal Total	6	1,344	10,645	8	1,367	14,775
Total	126	71,912	478,263	167	83,888	869,313

Source: Workplace Information Directorate

* Involving one or more employees.

- The average of 10.4 person-days not worked per worker involved in disputes, is lower than the previous ten year first half average of 13.4 days.
- Five major work stoppages occurring during the first half of 1998 accounted for approximately 43 per cent of person-days not worked.
- A strike by 2,400 **Fletcher Challenge** employees in British Columbia accounted for 186,150 person-days not worked through the first half of 1998, 21.4 per cent of the six-month total. A settlement was reached on April 20, 1998; one of the main issues involved was job flexibility.
- Four other work stoppages together accounted for 21.8 per cent of the total person-days lost during the first half of 1998, as follows: **Interior Systems Contractors Association of Ontario**, 1,500 employees province-wide in Ontario; **Abitibi-Consolidated**, 4,520 workers in Newfoundland, Quebec and Ontario; **Fearmans Fresh Meats** (Division of Maple Leaf Foods), 795 employees in Ontario, and **Société des casinos du Québec inc.**, 1,800 workers in Quebec. The most important issue reported for each of these disputes was wages.

Table B
Work Stoppages by Industry - 1998

Jurisdiction	Ongoing during the second quarter			Cumulative to June 30, 1998		
	Stoppages	Workers Involved	Person-Days Not Worked	Stoppages	Workers Involved	Person-Days Not Worked
Primary Industries	7	5,121	74,840	8	5,243	88,960
Manufacturing	48	10,320	119,470	63	12,721	388,730
Construction	6	4,450	118,900	6	4,450	118,900
Transportation, Communication and Other Utilities	9	1,277	12,175	13	1,344	18,175
Trade and Finance	14	963	8,920	22	1,333	30,230
Community, Business and Personal Services	31	39,100	101,368	41	48,047	177,278
Public Administration	8	1,669	33,270	11	1,738	37,720
Various Industries	3	9,012	9,320	3	9,012	9,320
Total	126	71,912	478,263	167	83,888	869,313

Source: Workplace Information Directorate

Table C

Work Stoppages, a Chronological Perspective

Period	Number beginning year or month	in existence during year or month*			% of Estimated working time
		Total Number	Workers involved	Person-days not worked	
1988	483	548	206,796	4,901,260	0.17
1989	568	627	444,747	3,701,360	0.13
1990	519	579	270,471	5,079,190	0.17
1991	399	463	253,334	2,516,090	0.09
1992	353	404	149,940	2,110,180	0.07
1993	323	381	101,784	1,516,640	0.05
1994	312	374	80,856	1,606,580	0.06
1995	282	328	149,159	1,583,061	0.05
1996	295	328	281,724	3,344,980	0.11
1997	226	279	253,542	3,572,360	0.12
1997					
June	31	70	17,557	185,730	0.07
July	19	68	9,790	130,740	0.05
August	21	64	10,885	162,700	0.06
September	18	57	8,996	125,200	0.05
October	22	66	159,283	774,020	0.30
November	20	59	180,286	1,119,490	0.44
December	6	49	52,085	254,570	0.10
1998					
January	14	49	6,331	117,050	0.05
February	16	57	7,857	125,350	0.05
March	12	56	16,806	148,650	0.06
April	24	60	10,418	80,860	0.03
May	31	67	41,390	117,320	0.05
June	35	83	36,466	280,083	0.11

* Refers to work stoppages which began during the year or month as well as those carried over from the previous year or month.

Source: Workplace Information Directorate

SECTION 3

INNOVATIVE WORKPLACE PRACTICES

Céline Laporte

Information and Client Services Section, Workplace Information Directorate
Labour Program, Human Resources Development Canada

Of the 74 recent collective bargaining settlements reviewed for the following summary of workplace innovations, 50 per cent (37 settlements) report having either initiated or implemented one or more of these innovative workplace practices.

Duration

Approximately half (46 per cent) of the 74 settlements have been renewed for a three-year period while 35 per cent (26 settlements) were renewed for a period of between six to 32 months. Nineteen per cent (14 settlements) extend over a period of four years or more, including a settlement between Amalco Foods and the United Steelworkers of America in Newfoundland with a 68-month term and five 72-month renewal agreements in the British Columbia pulp and paper industry (Fletcher Challenge Canada Limited).

Labour-Management Committees

Forty-three per cent (16 settlements) of the 37 settlements reporting a workplace innovation provide for the establishment of a *joint committee* mandated to review and/or address such issues as the application and interpretation of the collective agreement, staffing and workload, labour costs and productivity, diversity, new technology and other issues surrounding working conditions and benefits. The agreement between Toronto Star Newspapers Ltd. and the Communications, Energy and Paperworkers Unions of Canada (CEP), Local 87-M provides for the establishment of a committee to encourage *youth employment* by requiring the employer to hire the equivalent of 20 full-time young people by the summer of 1999. A joint union-management committee, with the direct involvement of the publisher, will develop the career development and training regime for the new employees.

Organization of Work

Two of the settlements reporting an innovative workplace practice include the agreement between Camco Inc. and the CEP, Local 501 which provides for the establishment of a more *flexible work* organization to increase employee accountability through a work team focused on improving quality and productivity; and the implementation of various *flexible work practices* at Fletcher Challenge Canada Limited designed to improve productivity and product quality, reduce down time and lower costs while ensuring the work is completed in a safe manner. The employer will also design and introduce new training programs to facilitate the implementation and evolution of these flexible work practices.

Compensation and Working Conditions

Twelve (32 percent) of the 37 agreements reporting innovative practices contain provisions dealing with compensation and working conditions. A noticeable ten out of the 12 settlements provide for some form of wage incentive plan such as gain sharing and profit-sharing plans, stock options and a team reward concept at Maritime Telegraph and Telephone Company Limited. Other innovative clauses include the recognition of *same-sex spouses* in three settlements for purposes of bereavement leave and health, welfare and pension plans.

Training and Development

In two separate settlements with Canadian Pacific Ltd., one provides that the employer will contribute \$100,000 to the union for each of the three years of the collective agreement in order to create a *fund to promote training* and to develop the skills associated with improving labour-management relations through joint initiatives. The second agreement establishes the employer's contribution to the union administered *improvement fund* in the amount of \$55,000 in each year of the collective agreement to develop joint initiatives and for improvement of employee skills.

INNOVATIVE WORKPLACE MANAGEMENT PRACTICES: THE CASE OF WALSH AUTOMATION INC., ENGINEERING CONSULTANTS

*Micheline DesRosiers PhD
France Pelletier MBA
School of Management Science
University of Quebec at Montreal*

Walsh Automation Inc. (WAI) is a consulting engineering Company founded in 1969 by Robert Walsh. During its first years, a small group of specialists worked with a majority of technicians. In the mid 1980s, top managers decided to raise the level of expertise in the Company and to focus more on high technology in order to meet new challenges. The number of technicians declined while the number of specialists increased.

WAI is now a leader in its field, and in 1997 it had 220 employees. It offers products and services in the areas of automatic controls, process optimization, advanced controls of expert systems and information technologies. One of these services, called SOS (system optimization services), helps businesses modernize their systems and optimize their performance. WAI's markets are in Canada, the US, Europe, South America, the Caribbean, Asia and sometimes Africa. The Company is headed by the Walsh Group, which has a number of subsidiaries: WAI Canada, Forensic Technology Inc., Groupe Validation des Technologies Inc., WAI U.S.A. and WAI Europe Ltd.

This case study shows that WAI's success is not due to a single management practice but to several innovative practices working together. The practices can be grouped into six categories: intrapreneurship, redistribution of profits, share ownership, valuing knowledge and training, use of permanent positions and special attention to staffing. These practices help maintain a high level of employee satisfaction and performance. The practices also fit in with the company's culture, structure and business strategy, and when all this is combined with individual contributions, the result is that WAI is seen as an innovator in its field, one that can serve as a model for similar firms.

1 – Introduction

As the year 2000 approaches, more and more companies are realizing the need to adopt strategies that will help them innovate and adapt quickly to the competitive environment. One of these strategies is to use highly effective work practices. Walsh Automation Inc. (WAI) is an example of a company that is doing just that.

The purpose of this case study of WAI is to describe and explain the internal practices that are making this Company successful. What are these practices and how do they work? What are the factors that lead to successful use of these practices and what traps or problems do they present? These were the main sorts of questions we put to six employees of the Company

during semi-structured individual interviews lasting some 75 minutes each. The interviewees came from different work units and different levels in the Company's hierarchy. Three were vice-presidents while the others were an engineer, a computer technician and an instrumentation designer. A thorough content analysis was made of each interview. The results are given below, following an overview of the company, under three headings corresponding to the major themes of the study. In the section on critical success factors, reference is made to other scientific studies in order to supplement our analysis and extend our understanding of how the Company works and why it is successful. Before presenting these results, we briefly describe the Company.

2 — Overview of WAI

Walsh Automation Inc. is a highly specialized Quebec consulting engineering company whose area of expertise is the automation of processes and systems in manufacturing plants. It is a leader in its field, offering a range of services to primary – and secondary – sector firms wishing to modernize their systems and optimize their performance. Services include integrated management and production supervision systems, development of design criteria for automation, and system optimization. The latter, known as SOS (Service d'optimisation des systèmes), looks at the overall functioning of a plant with a view to modernizing these systems, bringing them into line with technological developments.

WAI works on projects worldwide, mainly in Canada, the US, Europe, South America, the Caribbean, Asia, and occasionally Africa. Total revenues for 1996 were \$18M. Of this, 40 per cent came from Quebec, 10 per cent from the other Canadian provinces and 50 per cent from other countries. Thus, half the Company's sales are outside Canada (Les Affaires 500, 1997, p.136). Among consulting engineering firms, WAI ranks 20th in Quebec for revenues from fees and 19th in Canada for number of employees. However, if we consider only companies specializing in process automation, WAI is one of the biggest in the world.

WAI Headquarters is in Quebec, and the Company has offices in Montreal, Quebec City, Toronto, Princeton (US), Dublin (Ireland) and Nottingham (England). It has 220 employees, of whom 185 are in Quebec. Professionals account for 85 per cent of the employees and 15 per cent are women; in other words, most of the employees are highly educated men, who work in a variety of fields including engineering, chemistry, physics and informatics. None of the employee groups is unionized.

The Company is headed by the Walsh Group, which runs the various subsidiaries – WAI Canada, Forensic Technology Inc., Groupe Validation des Technologies Inc., WAI U.S.A. and WAI Europe Ltd. (WAEL). WAI Canada has over ten specialized divisions in the areas of automatic controls, process optimization, advanced controls of expert systems, and information technology. The Company has a flattened structure, with three or four levels in the hierarchy. Working groups are organized around projects and change

depending on the type of expertise needed. Thus employees may move from one team to another, or one division to another, based on the needs of the Company and the career needs of the individual.

WAI was founded in 1969 by Robert Walsh, the current Chairman of the Board. The Company had a new fresh start in the mid 1980s when Chief Executive Officer, Barry Boyle, and his team of executives decided to distinguish themselves from other consulting engineering firms by specializing in process design and re-engineering – a high technology niche that was underoccupied at that time. This strategy enabled WAI to move in step with technological developments and penetrate new national and international markets. It expanded mainly through internal growth and through share ownership by employees, as will be seen later in the analysis. WAI is thus a private company owned by the employees. It is recognized worldwide for the quality of its specialized services and for the expertise of their staff. It is a profitable company that is constantly growing. It has a stable workforce and the turnover rate is one of the lowest in the industry.

WAI's 1990-1995 business plan targeted modernization. It called for an annual growth rate of 20 per cent, and this was achieved and in some years surpassed: the number of employees increased from 78 to 220. For the period 1996-2000, the plan focusses on processes and the manufacturing sector and aims to maintain an annual growth rate of 20 per cent. To achieve this, one approach will be to work with smaller companies that already have their own network of clients and their own mandates, etc. Thus partnership and networking will be the key ways of achieving growth objectives.

3 — Highly Effective Management Practices

The individuals we interviewed say that WAI's success can be explained by efforts on the part of both managers and employees to adopt practices that distinguish the Company from its competitors and allow it to be more dynamic and innovative than other companies. These new ways of doing things are termed "highly effective practices" and can be grouped into categories: intrapreneurship, share ownership, redistribution of profits, use of permanent positions, valuing of knowledge and training and special attention to staffing. As we will see in the analysis that follows,

these practices affect most of the employees. They are aimed at developing each individual's potential and at maximizing both individual and group performance. They have evolved over the years, with contributions from many people in the firm. The CEO in particular played a key role. Let us now look at each type of practice in turn.

3.1 – Intrapreneurship

The entrepreneurial spirit is part of the WAI culture. Employees are encouraged to work on new projects and become the head of a subsidiary or division they have helped develop. When someone discovers a market opportunity or has an idea for an underserved market, he or she is encouraged to take the initiative. WAI management is prepared to work with that employee over a certain period of time and conduct tests to see whether the project is viable and whether the Company can benefit from it and advance in its field. If so, management will offer the employee the prospect of eventually forming a jointly owned company and taking charge of that area of work, either alone or along with other individuals the employee may select from within the group. If they are prepared to invest energy, time and money, WAI will hand over to them a portion of the equity in the new company. It will allow them to act on their own, but will keep financial control and help the new company evolve and advance. If the new entity wants to expand elsewhere in the world, and WAI executives find the business plan to be promising, they will advance the capital needed to open a new office or else share WAI offices at the location in question. The name of the new Company will be displayed and be mentioned by receptionists.

In short, if WAI professionals have managerial skills – and not just engineers but technicians, chemists, physicists, etc., as well – the company will give them an opportunity to create their own careers, even create their own companies, with minimal risk. Of course, this practice does not affect all employees, only the limited number with entrepreneurial spirit, but it does open the door to anyone with a good idea.

In this way, WAI acts as a sponsor yet retains financial control. In 1990, for example, one of the divisions began to develop a product unique in the world for ballistic analysis of firearm projectiles. The project was begun at the suggestion of some business

people. Then, feasibility and market studies ordered by WAI showed that the division could become the world leader in this area. Money and energy were invested, and four years later, the product was ready. The project's success meant the division could now fly on its own, and in 1994, it became a subsidiary called Forensic Technology. Some of the people who worked in the division are now employees of Forensic, while others preferred to stay with WAI, but their services are sold to the subsidiary on an exclusive basis. Other subsidiaries created through intrapreneurship are Validation Technologies Inc. (1995), Validation Technologies Europe Ltd. (1996), Validation Technologies USA (1997) and Walsh Automation Europe Limited (1995).

3.2 – Share Ownership

WAI offers its employees a chance to own shares in the Company. Anyone active in the company can purchase shares or else invest in a subsidiary which he or she has helped set up. There are, however, some basic conditions: the individual must have worked for WAI full time for a certain number of years, and may not purchase over the course of a year shares that are worth more than a certain percentage of his or her base salary. Most employees participate in this program, but the amount they own is confidential.

For shareholders, this practice combined with intrapreneurship increases the feeling of belonging. It also makes them more accountable because they feel responsible for the collective fate of the Company. Furthermore, it demonstrates and strengthens the feeling of trust in relations between executives and employees. Finally, it gives employees access to the Company's financial data, and a say in decisions and strategic directions. This all contributes to the success of the Company, according to the people we interviewed. However, despite the popularity of the program, there are two points that must be borne in mind. First, some people may buy shares for reasons other than those intended, such as fear that superiors will think badly of them if they fail to invest. Second, even though they feel a sense of belonging, a number of employees nevertheless prefer to make less risky investments, such as Registered Retirement Savings Plans (RRSPs). Both these considerations limit the positive impact of share ownership on the operation and success of WAI.

3.3 — Redistribution of Profits

At the end of the financial year, the managers share with the employees a portion of the year's profits, the remainder being added to the Company's working capital. Profits are redistributed in accordance with criteria set by senior management, namely, the individual's position and salary. The amount paid out thus varies with each employee. It is confidential, and can be added to pay or invested in an RRSP, as the employee wishes.

The vice-presidents (VP) we interviewed said that redistribution is not the main way of motivating employees. They see it as a short-term incentive. However, it also seems to have a long-term symbolic value. By agreeing to share the profits and to reduce their personal incomes, the executives demonstrate their interest in the employees and foster individual effort and performance. "Many companies claim to do it or think of doing it, but don't actually do it," said one VP we interviewed. For some of the operational employees, the practice is certainly appreciated, but there is a certain vagueness to it because they do not know how the payout is calculated. Also, some would prefer to have the money distributed when they are most in need, that is, in December, rather than in August as at present.

3.4 — Permanent Positions

Another practice that sets WAI apart from its competitors is its use of permanent positions. Consulting engineers are usually hired on contract: their jobs are temporary. WAI differs from its competitors in that managers always try to keep as many permanent jobs as possible.

This is accomplished in a variety of ways, in particular by transferring employees from one subsidiary or division to another. Transfer decisions are considered at weekly meetings of the vice-presidents and division heads, where the need for human resources and the resource availability in each unit are looked at in light of the Company's contracts and volume of business. An employee completing a contract in one unit may be offered work in another unit. Thus, divisions which are doing well at a particular time may be able to take up the slack from another division which does not need as many employees of a given type.

It does happen that employees find themselves without work, for example after a stay of several months abroad, or when there are no contracts in their specialty. Managers at headquarters will then try to find something for them to do, by assigning them corporate tasks or giving them an opportunity to complete their training in a given field, for example. WAI thus avoids layoffs followed by massive hirings. Over the past seven years, the Company's executives have had to resort to layoffs on only two occasions, and only about ten employees were affected. In both cases, the layoffs were only temporary, and most of those affected returned to the Company within two months.

The use of permanent positions is an incentive for employees to stay with the Company, and it increases the stability of WAI's workforce. Because there is strong competition for highly skilled workers in the consulting engineering industry, other measures to ensure stability have also been deployed. Salaries at WAI are among the highest in the industry, and the Company offers attractive working conditions. Efforts are made to create an esprit de corps and a stimulating, pleasant work environment suited to individual needs. It also seems that the approach strengthens the bonds between employees and managers. All this compensates for the heavy workload, the tight deadlines and the need to maintain high service quality. The upshot is that employees stay.

There are, of course, costs for the Company: high salaries and the need to pay social benefits during temporary layoffs. However, the people we interviewed emphasized the advantages. Having a stable critical mass of experts ensures that clients will receive high-quality service. And by keeping these experts together, WAI distinguishes itself from its competitors, who offer the same services but on a smaller scale. The Company has therefore been successful in obtaining large contracts. From an internal point of view as well, the people we interviewed see an advantage in the use of permanent positions. It is a practice which demonstrates that the executives respect and have confidence in the employees. This reduces turnover and ensures a higher return on investments in staffing, training, etc. Finally, the use of permanent positions strengthens the corporate culture, which cannot be fostered if employees are being regularly let go.

3.5—Valuing of Knowledge and Training

The fifth category of highly effective work practices at WAI consists in valuing knowledge and training. Employees' knowledge and training is especially important in a consulting engineering Company, and one that specializes in high technology. Right from the time they are hired, employees know that the company covers the full cost of any outside courses justified by the work. Half the cost is reimbursed at the time of enrolment and the other half if the individual passes the course. This spending represents an investment and a source of motivation for both employee and employer, keeping them at the leading edge of rapidly evolving knowledge. However, there are two problems. The first has to do with the fit between the needs of the individual and the needs of the organization. During periods of heavy activity, employees are sometimes too busy to take courses, while during slack periods, the employees are not too busy but the Company has to limit its expenditures on training. The second problem concerns fairness in allocating training funds. Constant vigilance is required to ensure that all groups of employees get their share of training.

While the Company encourages outside courses, most training is on an ongoing basis in-house. Employees are strongly encouraged to learn and to advance themselves in the Company by taking on new responsibilities. Training is often incorporated into the work and into current projects. Each time a new product appears on the market, there is a need to have a certain number of employees learn it and use it. Suppliers often ask if they can come to give training or information sessions on their products. Employees also organize seminars to share with colleagues knowledge they have acquired in outside courses. Finally, a prime form of learning at WAI is coaching and mentoring of junior employees. All unit and project managers are strongly encouraged to play the role of coach with those they supervise. This is a part of their official duties.

3.6—Special Attention to Staffing

At WAI, much time and energy are invested in the hiring process: prospective employees are interviewed and an assessment is made of their skills, teamwork ability, degree of autonomy, leadership qualities,

knowledge of a second language and development potential. This is done jointly by people from the human resources department and from the unit where the person would be working. According to one of the VPs interviewed, it would be unthinkable to have the staffing work done by outsiders who are not familiar with the field or the Company and do not live immersed in its culture and corporate philosophy.

There are no formal staffing criteria. They vary with the position. However, all those interviewed, both executives and employees, said that there is general agreement at WAI on a certain set of technical and personal requirements: those hired must be highly skilled, autonomous and devoted to their work; they must fit into the Company culture, must not panic when problems arise, be tolerant and be able to represent the Company in dealings with clients. Applicant assessments are made on the assumption of a long-term career; they are not based on the Company's short-term needs. For promotions and for positions of responsibility, there are additional criteria, notably intrapreneurship and leadership. At WAI, seniority does not take precedence over competence and excellence.

4 — Critical Success Factors

In the previous section we described six types of innovative practices that contribute to WAI's success. However, we also need to look at the special conditions which ensure that the practices are effectively applied. These conditions we are calling the critical success factors. Four such factors have been identified during our analysis of the interviews. They are described in this section, where we also attempt to relate our observations to a range of studies conducted in other companies in order to enhance our understanding of WAI's success.

4.1 — A Combination of Innovative Practices

The practices WAI has adopted, in order to mobilize and make effective use of its human resources and show them that they are valued, are becoming ever more popular in the business world in Quebec and Canada, but according to studies by Leckie (1994) and Audet et al (1986; 1987), only a very limited number of companies have actually implemented them and incorporated them into their operations. In this

sense, they are innovative – and this very fact of innovation may be contributing to WAI's success in the consulting engineering industry. However, all those interviewed agreed that the Company's success arises not from one or another of these practices but from all of them taken together. The effectiveness of one is intimately related to its use in combination with the others. They form a package, as one of the VPs stated. Intrapreneurship, for example, is stimulated not only by specific means, but also by the other management practices. Share ownership, redistribution of profits, use of permanent positions and valuing of knowledge and training encourage individuals to take initiative and responsibility – in other words, to act like an entrepreneur – because they know they will derive benefits in terms of both money and status. Or, consider the use of permanent positions: this practice would be difficult to implement without special attention to staffing and without the business growth induced by intrapreneurship, share ownership, redistribution of profits and valuing of knowledge.

4.2 — Practices Congruent with the Organization's Culture

The interviews reveal the close link between the practices and the organization's culture, as well as the role of the CEO in developing the culture and translating it into management practices. WAI's culture has three features.

The first feature is a focus on individuals and an attempt to find a compromise between the individual and the organization. Individuals are valued through the importance accorded to both their achievements and their needs, aspirations and concerns. The primacy of individuals is entrenched in each of the six management practices. Constant efforts are made to avoid sacrificing individual to collective needs. That means managers have to properly play their coaching roles and agree to justifiable requests from employees even if that creates problems (for example, a request to transfer to another unit).

The second feature of the organization's culture is the habit of simultaneously taking into account the quantitative and qualitative aspects of the work. Intrapreneurship and redistribution of profits involve significant financial incentives, but they also meet other needs: the desire for status, for belonging, for self-realization, etc.

The third feature is finding a balance between what is required of employees and what support they receive. By strongly valuing excellence and business growth, the Company makes demands on its employees. It expects them not only to be technically competent and productive, but also to adopt certain behaviours and attitudes, notably that they demonstrate autonomy, take initiatives and show team spirit. The stress arising from these requirements is offset by the support employees receive: a cheerful and stimulating work climate, a family feeling, *esprit de corps*, trust and mutual respect between employees and managers.

All three features of the organization's culture are supported by the six practices. For example, at peak periods, employees are working hard to meet deadlines and respond to client needs, but these efforts are offset by the practices of having permanent positions, valuing knowledge, redistributing profits, providing a chance to own shares, and paying careful attention to hiring. The analysis shows that it is this congruence between the tangible management practices and the intangible culture that lends credibility to the words and actions of the managers and ensures that the employees trust them. This would seem to be a factor in explaining the success of WAI and its management practices.

4.3 — Practices Congruent with the Organization's Structure

WAI's flat structure leaves more room for employees to be autonomous and take on responsibilities. For example, once a bid is accepted, the concerned division head entrusts one of the project leaders with responsibility for that contract and then limits himself to overall supervision. Division heads are also responsible for the long-term development of their units and must behave as if the unit belonged to them, deciding what changes to make, what products and services to develop and so forth. Employees, too, are involved in their unit's decisions. They meet before each new project and discuss the job to be done. If there is disagreement, the division head decides. Employees may also go directly to the vice-president in charge of that division. The Company's structure makes for quick action. Also, since there are few levels in the hierarchy, employees are known to management; they are not just numbers.

WAI exercises very close management of its operations and finances. Management systems provide quasi-real-time information, allowing for close monitoring of projects and operations. Weekly meetings of the executives contribute to this approach: each unit is reviewed with regard to finances, human resources, market opportunities and problems encountered, and decisions are made rapidly. According to the people we interviewed, these meetings are very demanding but also very useful, because they are taken seriously. They give those attending a regular opportunity to evaluate and challenge themselves. They also serve to maintain team spirit and the relationships among the managers. All members of the top management team do their best to attend. The meetings are a form of discipline and a stimulant. Meetings at other levels have a similar function.

WAI's structure makes people – both employees and managers – accountable. The structure prevents them from hiding behind bureaucracy or blaming others. Power games are thus reduced. The structural features of the Company support the six practices, which would have no value or credibility with staff if they were not in harmony with the structure. Our observations about the importance of culture and structure in WAI's success are corroborated by other empirical studies, notably Holt (1990) on innovative entrepreneurial companies. What is revealed by our analysis is not only the importance of culture, structure and management practices, but also their influence on each other. This has been found in other studies as well. For example, Kerr and Slocum (1987) show how remuneration systems simultaneously reflect and reinforce a company's culture. One factor is both cause and effect of the other. Sutton and Louis (1987) explain how staffing and the socialization of new employees have a positive influence on the people participating in these activities. Participation reinforces the culture and structure and at the same time is influenced by them.

4.4 — Practices Congruent with the Corporate Strategy

A fourth factor explaining WAI's success is the congruence between its management practices and its market strategy. Opting for a strategy of specialization meant that WAI needed a stable and highly skilled workforce. The top managers therefore adopted management practices that both value employees and make effective use of them. Leckie

(1994) shows that these innovative practices are especially widespread in the services sector of the economy, where human expertise is important, as it is at WAI.

The fit between internal practices and market strategy has a variety of benefits. One has to do with the contracts which WAI would not have won without its in-house concentration of specialized skills. By promoting training, by hiring people who want to learn and take initiatives, and by using permanent positions, WAI increases its pool of skilled professionals who keep up with technological change and market needs and can thus contribute to an increase in sales and contracts won. A second benefit is related to operating costs. Economic theory tells us that a firm can operate at average costs lower than its competitors' if it takes advantage of economies of scale and the experience curve. To do so, the firm must prevent its know-how from getting into the hands of its competitors, and it must keep its expertise at the system level (Allaire and Firsirotu, 1993). These conditions seem to be met by WAI. Much of the Company's expertise is acquired and developed internally, in a variety of ways: through entrepreneurship, mobility among units, intrapreneurial sponsorship, knowledge-sharing among employees, and so on. The resulting accumulation of knowledge is virtually the exclusive property of WAI, or at any rate it diffuses only slowly to competitors because of the low turnover at WAI. A third benefit of congruence between internal practices and market strategy is subjective: as noted by Audet et al (1987), the top managers of an enterprise are more credible when their strategic decisions are in accord with their human resources management decisions and when these decisions translate into concrete actions.

5 — Problems to be Overcome

In the preceding sections, we have tried to show how WAI's commercial and financial success can be explained by certain features of its internal workings, notably its work practices and how they are applied, or success factors. At this point, it is important to look at the problems that have been encountered, problems which still represent challenges or areas for improvement in the way WAI operates.

One of the problems concerns communication and interaction. As the Company and its constituent units have grown, communication has become more difficult and complex. If a way is not found to solve this

problem, *esprit de corps* may suffer. Communication used to be easier because of the small number of employees. Now that there are more employees and more units, things are more complicated. Communication among divisions is less effective.

Another problem is the isolation employees experience when working for a lengthy period abroad or at a client's place of business. They miss the support of the Group and risk losing their feeling of belonging. The more the Company expands, the more operations take place at remote sites, and the more frequent is this experience of isolation. Currently the employees have access to e-mail and the Internet, and there is talk of setting up an intranet on which news can circulate. These technologies allow employees to keep in touch, but they do not fully compensate for the lack of direct human contact.

Finally, one might assume that a Company where 85 per cent of the employees are professionals would be characterized by a high level of autonomy, and this was confirmed by the interviewees. However, it seems that the effort required to manage such professionals is less than in any other type of company. Furthermore, since the senior people are themselves autonomous, they are often more oriented toward the company's results than to personnel management. Consequently, it may be the case that some less autonomous employees are somewhat ill at ease and feel that they are not being properly coached (despite the fact that ability to work autonomously is one of the selection criteria and despite willingness on the part of these employees).

Lastly, one may wonder whether WAI's innovative practices rest on shaky ground because they arose from the experience of the CEO. His influence remains strong, but he has been able to transmit his values and philosophy to others, and one might therefore assume that the practices have taken root to a certain degree. The real test will come when he leaves.

6 — Conclusion

In the early 1980s, WAI became specialized in an underoccupied niche – automation of processes and operating systems. Its success is to be explained not only by the smart strategic choices it made, but also by the new work practices it implemented, practices that were not widespread in the consulting engineering industry: intrapreneurship, share ownership, redistribution of profits, use of permanent positions, valuing of training, and special attention to staffing. These practices have their beneficial effect through certain aspects of their application, which we have called success factors: the practices are applied as a package, and they are congruent with the organization's culture, with its structure and with its corporate strategy as well as with the individual contributions. One of the managers we interviewed explained that what makes the difference is the quality of WAI's people and management's desire to achieve objectives. Otherwise, the firm is no different from others: it uses the same money, the same technology and the same information.

A variety of theoretical and empirical studies help us understand how WAI works. The initiatives that the Company has taken to value and to effectively use its human resources are not yet widespread in the business world. Implementing the practices as a package means that each influences and supports the others. The practices are congruent with the Company's culture and structure, which support and at the same time reflect the practices. Finally, the practices are congruent with the corporate strategy, which sends a signal to employees that senior managers firmly intend their actions to match their words and intentions. This coherent approach gives WAI a variety of strategic advantages – a pool of expertise not easily matched by competitors, reduced average operating costs, the ability to win new contracts and increase business – while at the same time the Company values and supports the contribution of its people.

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COMING IN THE NEXT ISSUE OF THE WORKPLACE GAZETTE

Another interesting article on the innovations theme will be available in the Winter 1998 issue. Watch for: "Developing a Tool to Measure the Impact of Workplace Innovations" by Derwyn Sangster and Chirs Parsley of the Canadian Labour Market Productivity Centre.

DEVELOPING A HEALTH AND SAFETY CULTURE: A CASE STUDY OF DUPONT'S KINGSTON SITE*

*Nicole Eve Liddell
Queen's University*

Introduction

Workplace health and safety, a key indicator of the quality of worklife, is a major concern of labour, management, and public policy-makers alike. In 1996, there were 377,885 workers injured on the job and 705 fatalities at work in Canada.¹ Workplace injuries and fatalities have immeasurable impact on workers and their families, and impose high costs on employers in terms of lost time, reduced productivity and increased worker compensation premiums. Unsafe practices affect the bottom line.

Increasingly, firms are recognizing the gains from safety as a source of competitive advantage. Successful firms have accepted the challenge of changing the culture of the workplace with regard to safety by getting everybody involved from top management to front line. Ignatieff (1995) cites DuPont as an example of a firm which has accepted this challenge and attempted to integrate safety to the total work system. He paraphrases the former Vice-President of DuPont, Jim Stewart, in stating that,

“[t]he corporations which succeed in the competitive environment will be those that are excellent in all the parameters of business: product design, quality and service, cost control, continuous improvement and occupational health and safety (Stewart, 1993).”

This case study examines the health and safety program at DuPont Canada's Kingston site, a large

nylon manufacturing plant. DuPont Canada has consistently been a safety leader in both the petro-chemical field and industry more generally. Indeed, the Kingston Site holds the record in Canadian manufacturing for the longest period of time without a Lost Work Injury of over 12 million exposure hours. This case study research sought to determine the factors associated with the success of DuPont's (Kingston) health and safety program. Specifically it sought to illuminate what makes health and safety an element “of the culture” at DuPont – how the program is enforced, reinforced, and internalized.²

Presented below are condensed case study findings which rely on a combination of official documents, transcripts from interviews, informal interaction, and observations. First is an overview of the programs and factors that comprise the Occupational Health and Safety Program at DuPont. Second is evidence of the existence of a safety culture at the Site – what it is and how it works. Finally, concluding comments are offered within a critical examination of these findings.

Safety at the Kingston Site

DuPont's Kingston Site employs approximately 1,400 people who work in the manufacture of nylon materials for use in carpet, clothing, airbags, and other industrial products. The production process involves advanced chemical and fiber technology which

* A condensed version of the author's research essay entitled, “Developing a Health and Safety Culture: The Case of DuPont” completed for the degree of Master of Industrial Relations (MIR) at Queen's University. This study was supervised by Professor Pradeep Kumar.

¹ Statistics provided by Association of Workers Compensation Boards of Canada.

² For the purposes of this paper, culture refers to the symbolic and expressive elements of the social processes in the workplace. These elements therefore include symbols and language, as well as norms, values, conventions and the traditions of the organization.

necessitates the use of hazardous chemicals and technical processes. Therefore, safety has been a key factor underlying DuPont's commitment to safety since its inception. The Chairman of the Board summed up the company's philosophy on safety in 1946, frequently quoted in DuPont's documents:

"We in the DuPont Company long ago concluded that the safety of employees is of the greatest interest to management, ranking in importance with *production, quality of product and costs*. We have found that maintenance of safe operating procedures in our plants is of benefit far beyond any resulting dollar savings, the human values involved being of greater importance to both employees and community. Also, the acceptance and practice of fundamental safety principles by management and employees, with the reduction of personal injuries to a minimum, inject an element of team play which does much to foster a spirit of friendly co-operation throughout our Company."

The DuPont safety program emanates from and is grounded in the company's vision of "The Safe Workplace." Employees and the employer are partners in managing safety; the roles and responsibilities associated with the creation of a safe workplace are defined and respected; and, zero injuries are a company mantra. This vision is communicated to employees via the "Safety Induction Program" which instills the company's "Safety Beliefs" regarding people, customers and the internal/external world, and the management of safety (*Kingston Site Health and Safety Manual*). Examples of these beliefs include: "people accept risks because they believe they will not get hurt;" "safe, healthy employees enhance the Company's competitive position;" and, "all injuries and occupational illnesses are preventable."

The program also draws on a series of nine "Safety Principles" which are represented by the "Three Basic Principles (*Kingston Site Health and Safety Manual*):" *Safety has overriding priority* – only do the work if it can be done safely, there are no excuses for safety being compromised; *Safety is a line*

responsibility – each individual is responsible for his or her own safety, and supervisors are doubly responsible for their employees; *We will not tolerate deviation from safety rules and practices* – safety is a condition of employment, and failure to adhere to safe practices will result in discipline.³

Employees are also taught assessment skills and checklists for personal safety and care to ensure that their work environment and behaviors are safe.

To educate employees that accidents are 100 per cent preventable through personal care, DuPont uses a concept called the "Personal Work Energy Model." The model claims that people have various levels of "personal attention" or energy that they *apply* to a task, which has the corollary of a *required* level of personal energy. When the level expended and the level required are not equal, a dangerous situation develops. There are 16 premises that accompany this concept at DuPont, which can be summarized by the following:

"Workers are rational beings with an internal locus of control. By "maintaining consciousness" a worker can prevent errors that lead to injuries in him or her self, as well as co-workers. Ignorance is not an excuse as there are always others to assist in the safe learning process. The system of working safe depends on each and every worker to do his or her part."

A grounded tenet of this model is the well-used slogan, "Brother's Keeper." It was introduced to DuPont by Roman Catholic Priest Tim Shea who lectured employees about the importance of safety, looking out for one another, and being approachable to others wanting to communicate safety concerns.

In addition to general safety philosophy, the plant has a series of policies and procedures specified in the *Kingston Site Health and Safety Manual*. These include general safety standards expected of employees, rules on the wearing of clothing and jewelry and personal protective clothing for eye, face, and foot protection. It is from these procedures that employee accountability for safe work habits is

³ The collective agreement between DuPont Canada Inc., Kingston Site, and Kingston Independent Nylon Workers Union (1996) gives management the right to discipline, suspend or terminate a seniority status employee for any reason deemed justifiable by the Company. Clearly, "safe work habits" would fit into this category as the principles and safety rules are not applied arbitrarily or in bad faith. DuPont uses a standard "progressive discipline" approach to safety infractions, concluding in termination where the employees' values toward safety are incongruent with those of the Company.

established. The training for new employees emphasizes a number of procedures including: lock out; confined space entry; working in areas with heat; breaking into closed systems; hazard analysis; equipment safety inspection auditing; auditing work practices; and landlord inspections.

DuPont has two unique procedural features that assist in empowering employees to create and maintain a safe workplace. The first is "Safety Incident Reporting" (SIR) which is a process whereby any incident that jeopardizes the health or safety of employees, equipment or the environment is "written up" by the employee(s) involved. Further, the incident is posted on e-mail for all staff to read and gain education about a potential problem. Any employee is permitted to question the decision at the end of the SIR form which dictates whether or not further investigation should take place. The second is the "Potential Major Injury" (PMI) investigation, which is a more in depth process that stems from the SIR author's decision that further investigation is required. The PMI involves an analysis of the incident facts and the findings of the SIR, followed by a "route cause analysis" of the problem, and the development of a set of time-lined recommendations. Ongoing audits of the effectiveness of the recommendations are performed to ensure follow-up effectiveness.

While safety is part of each and every employee's job description, some positions are solely dedicated to the safety program. These individuals provide services to the site and include the Fire Safety and Security Coordinator as well as Health Centre staff. The latter is comprised of Occupational Health Nurses, Site Physicians, and Occupational Health Advisors who are charged with "anticipation, recognition, evaluation, and control of those environmental factors and stresses, arising in or from the workplace, which may cause sickness." The Health Centre also undertakes research on topics such as ergonomics. Another position dedicated to safety is that of the Site Safety Resource (SSR), who helps maintain consistency between the departments in terms of how safety is handled. As such, the SSR is involved in the development and revision of policy and procedures, delivery of the "safety indoctrination training" for new employees, as well as participation on a number of health and safety committees.

The safety committee network at DuPont is extensive. Committee membership is voluntary and is made up predominantly of union staff. There are fifteen Site

Health and Safety Committees that meet monthly and report to a Central Health and Safety Committee:

Site Annual Program Committee: promotes "programs and activities designed to realize the potential of Site employees, which has been created by [their] safety culture."

Publicity and Special Events Committee: increases awareness in all areas of safety, encourages employee and family participation, and seeks and recognizes employee input so that all employees of the plant have a role in meeting the "plant safety objective."

Emergency Preparedness Committee: direction and support for the program such that an emergency at the plant will have minimal impact on the community, employees, and facilities.

Occupational Health Committee: supports the line organization in terms of occupational health, such that "employees understand health related risks in their workplace" and have the knowledge to ensure their "physical well-being on the job."

Process Safety Management Committee: establishes and audits process hazards management policies to eliminate "fatalities, multiple injuries, or significant capital losses from catastrophic process events," and to "improve [their] relative competitive position."

Rules and Procedures Committee: maintenance of the policy and procedures manual.

Traffic and Pedestrian Safety Committee: works with materials handling devices in order to prevent "incidents and injuries." Responsible for any vehicles on or off site in terms of "maintaining safe interfaces with pedestrians."

Safety in Distribution Committee: provision of guidance and support for safety in distribution such that there are no injuries or incidents related to this function.

Off-the-Job Committee: "design, develop, and implement off-the-job safety programs...so that business effectiveness will be enhanced by eliminating absences, restricted work assignments, and suffering caused by off-the-job injuries."

Health Horizons Committee: identification of “modifiable health risks” and the promotion of “healthy lifestyles of Kingston Site employees, families, and pensioners.”

Joint Health and Safety Committee: established in accordance with the provincial legislation to ensure legislative requirements are being met, as well as to serve as a communication link between workers and management with regard to safety.

Ergonomics Committee: addresses Site objectives for ergonomics and the ergonomics program outlined in the Corporate Safety and Occupational Health Manual.

Respect Committee: to educate and sensitize fellow employees to the issues of discrimination and harassment, in particular to create an environment of mutual respect, in recognition that an employee who was being harassed would likely not be able to put the same personal attention forward, and therefore is dangerous to himself or herself as well as the Company.

Mechanical Safety Committee: responsible for policy and procedures that arise from issues around mechanical safety such as the “lock, tag, clear, try, release procedure” and “entry into confined spaces” procedure.

Electrical Safety Committee: champions all procedures and policies that have to do with electricity.

A final aspect of the program are DuPont’s safety oriented publications. One unique product is a type of “Dear Abbey” feature where employees can e-mail safety stories that normally are experienced off the job. The purpose of communicating these stories is in the safety lessons they contain, and the link to an employee’s off-the-job habits. Safe habits at home assist DuPont to reach its goal of an injury free workforce.

A Culture of Safety

There are a number of employee initiatives around safety that are illustrative of the grass-roots commitment to maintaining a safe work environment. As mentioned, many of the employee initiatives are a product of work done by the health and safety

committees, but others have come about from the line organizations directly. A few of these will be reviewed below.

One initiative began as an awareness campaign for days without a lost day work injury, and stemmed from two of the four shifts. These shifts began posting the number of days the shift had to make “injury free” in order to break the existing record for that shift. Eventually all four shifts got involved, and there are posters throughout the plant indicating how many more days the shift has to go to break the record. In the case of a shift that has already broken the record, the number posted is “each day.” One interviewee said that this type of “contest” made sense as the shifts “had their own culture and their own patterns of injuries.” This culture is seen to be a result of the close ties that are cultivated between workers on that shift; the shift becomes part of the workers’ world and, therefore so does safety.

A second initiative “from the floor” is the signage that appears around the plant in congruence with the monthly safety themes or general safety principles. While some are the product of formal committee work, others “just appear” and are the informal product of workers. DuPont lifted the conventions around what could be posted in the plant, which has resulted in far more participation from employees in communicating safety messages in a number of creative ways. Examples are cartoons and symbols that connect safety themes with visual images, such as the bullseye.

An initiative with high participation example was the “Safety Fair” put on by the Annual Site Committee as part of the yearly “Kick-Off” for the January safety theme “Brother’s Keeper.” In conjunction with the Health Centre, the fair was set up like an open house with displays in the cafeteria featuring all aspects of safety: personal protective wear, equipment, literature, and contests. The fair operated 15 times throughout the month in order to allow each shift to get exposure. A quiz on safety was given to track employee participation and revealed that over 1,000 employees participated out of a possible 1,300 on site.

Another initiative was the voluntary involvement of one crew to work with the summer students to limit the number of injuries sustained. Among the solutions was a mentorship program whereby each student had a shift “buddy” that would help him or her work safer.

A widely embraced initiative that emerged from management was the "S.P.A.C.E." program (Safety Performance Assessment Criteria for Excellence). It divides the work crews by the products on which they work: the "Carpet Baggers;" the "Air Bags;" the "Threadlines;" and, the "Coveralls." These teams compete against one another in categories related to safety performance for the grand prize – the Gold Cup trophy and a special dinner/dance in the winning team's honor. The criterion include timely completion of procedures such as "landlord inspections," PMI recommendations, incident and injury investigations, "work practice audits," as well as bonuses for teams without any off-the-job injuries. The statistics for each group are tallied each quarter, and the team with the most points earned at year-end wins the prize.

A final aspect of the "culture" of safety is the reach the program has to employees' home lives. One worker commented on how he is constantly enforcing safety rules at home such as "no toys on the stairs" and "use a stepladder to change a lightbulb, not a chair." Another worker spoke of his neighbours' comments about his personal protective wear as he mowed the lawn. He expressed cognizance of how "indoctrinated" employees actually were:

"I really notice it when I go home to my husband and can't believe some of the things he does. It is a lot of work to get my family on board when it all seems natural to me."

Critique

The first critique of the DuPont program noted by this researcher, as well as several employees, was how intrusive the DuPont program was, "you feel like you are being watched...it's the whole 'big brother' thing." Ironically, employees were quite positive about the "Brother's Keeper" principle, and emphasized that concerns with it only arose when the "keeper" had a superior attitude.

A second concern was the extent to which workers truly "bought in" to the health and safety program. One member aptly summarized others' sentiments, "if you don't believe [in the safety philosophy of DuPont], you pretend you do. Working safe is a condition of employment, and everyone is aware of that." Some workers were cynical about the reasons behind the

safety philosophy at DuPont, recognizing the cost of injuries to the Company. Many regarded the safety program as a business investment, as opposed to just a cost to the Company.

A third concern is the acknowledgment by interviewees that some injuries were concealed by workers as a reaction to the stigma and potential discipline for safety infractions. These were referred to as "pocket injuries" as they could be "put into your pocket when the boss walked by." It was also noted injuries were more apt to be hidden when the cause was a "personal attention problem." Further, one manager commented that those workers with previous infractions were the most likely to try and find a way around reporting the second or third instance. Finally, it was widely acknowledged that the safety rules and procedures were not always followed, particularly where there were "shortcuts" that allowed the work to be done more quickly.

A final area of critique is the unclear expenditure on safety at DuPont Kingston Site. Management interviewees confirmed that safety is not tracked as a cost centre, and therefore a cost-benefit analysis is not executed on the program. The absence of this information and the extensive nature of the program suggests a very high price tag. Yet, the Human Resource Manager revealed that over the past ten years DuPont paid approximately \$33.6 million in premiums to the Workers' Compensation Board, with total claims against these premiums estimated at less than a million. For this safety record, DuPont received about \$11 million back in refunds. With the current legislative prohibition against self-insurance, these figures further call into question the safety "investment" at DuPont.

Concluding Comments

DuPont's safety efforts have an excellent fit with the common denominators of "Best Practices" evident in the literature including: practical factors such as frequent safety audits, good housekeeping, and diligent record keeping; human resource issues such as training and return to work programs; management practices such as open communication, employee empowerment and participation, flat organizational structure, and active senior management; as well as an integrated view of the operation (Ignatieff, 1995).

Several features of DuPont's success are not specified in the literature: a commitment from senior management to put safety as "an overriding priority;" a policy of disciplining violations of safety practices consistently and without question; a comprehensive "indoctrination" program such that safety pervades all aspects of the employee's experience at work and at home; a permeating belief that all incidents and injuries are preventable; and, an unwillingness to put a price tag on safety.

At DuPont, a culture of safety is evident in the symbolic and expressive elements of the workplace. Pervasive language such as "Brother's Keeper," "keep your energy level high," "zero incidents and

injuries," "safety has overriding priority," and the like illustrate one tenet of this culture. The organization's history as well as the norms and values of the organization encompassed in DuPont's philosophies on safety and guiding principles are also evident as another tenet, as is the internalization of these values. Grassroots initiatives by employees to extend the reach of safe practices are further evidence of the internalization. Finally, the safety culture is manifested in many symbols: personal protective equipment use, signage, committee membership, as well as slogans and visual stimuli. The combination of these cultural elements and their deep entrenchment make the program difficult to emulate and its safety record exemplary if not replicable.

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WORKPLACE INNOVATION EXPERIENCES SUPPORTED BY THE LABOUR-MANAGEMENT PARTNERSHIPS PROGRAM

*Labour-Management Partnerships Program
Federal Mediation and Conciliation Service
Labour Program, Human Resources Development Canada
1-800-563-5677*

There is a growing recognition at the firm and industry level that a positive approach to labour-management relations is crucial to the success of the Canadian economy. However, in many workplaces, good relations are not easy to establish and maintain. Since 1991, the federal Labour-Management Partnerships Program (LMPP) of the Federal Mediation and Conciliation Service (FMCS) has provided advice and funding, on a cost-shared basis, to companies and trade unions in support of joint initiatives aimed at enhancing productivity and competitiveness, as well as employment security and good working conditions.

The experience of the companies and unions involved in these LMPP supported projects on workplace initiatives has been documented in a number of articles describing each project. Each article is drawn directly from independently-conducted interviews with the management and union officials involved in making workplace change happen. They reflect the experience of very diverse Canadian enterprises in sectors that range from manufacturing to resource processing to health care. Some projects are industry-wide; companies small and large are included. Each article provides a "snapshot" of a labour-management initiative, many of which continue to evolve.

*In the previous issue, the **Workplace Gazette** published three articles pertaining to organizational change and team work. This issue contains three more articles concerning **union-management collaboration** while in the subsequent issue the final three articles of this series will relate to **investing in human skills/resources**.*

Public Transit Competitiveness Task Force: A Moveable Meeting of Minds

"It really got started a long time ago when Ken Foster and I met on the GO Train on our way to work." Even on the telephone, you can tell that Al Cormier, Executive Vice-President of the Canadian Urban Transit Association, is smiling. Ken Foster is the Canadian Director of the Amalgamated Transit Union. Ken co-chaired a management-labour task force on competitiveness along with Greg Latham (at that time CUTA's Vice-President of Human Resources) and Al managed the secretariat for the task force. The task force tackled tough public transit problems head on from day one.

Public transit all over North America is in deep trouble. In large cities, long distance routes caused by urban sprawl have driven up the cost per passenger, the

yardstick of transit systems productivity. Demographic change and affordability car ownership have reduced transit ridership. During the 1980's, with local bus and train fares climbing, measures to increase public subsidies often met with resistance from angry ratepayers. With city budgets now shrinking, public transit systems everywhere are in a deep malaise, with no money to improve their services, exorbitant fares and ridership in steady decline.

Many municipalities are looking at solving their problems by contracting-out transit services to new private companies; both management and labour are threatened.

In the 1980s, Ken Foster, Canadian Director of the Amalgamated Transit Union's (ATU) 35,000 members, and Al Cormier of the Canadian Urban Transit Association (CUTA) both travelled to Union Station by commuter train from their homes north of Toronto. A

chance meeting on the train grew into regular morning discussions of the challenges facing Canada's urban transit systems. As the train travelled in from Brampton week after week, the two men discovered that they shared a common analysis of the threats facing urban transit, and a growing recognition that transit managers and union members could be joint stakeholders in a combined effort to preserve public transit systems.

"It was pretty clear right away that Ken and I shared the same objectives, and we had the same problems," says CUTA's Al Cormier. Both ATU managers and CUTA members were buffeted by municipal and provincial urban planning decisions that had catastrophic effects on the cost side of transit operations. Both CUTA and ATU confronted the difficult task of having the consequences for transit systems considered by city councils during land use planning and suburban development decisions.

"In those days, ATU had an information problem," says Cormier. "They needed information on how transit was funded, how municipal and regional decisions were made, and who was accountable for them."

One of the first steps the two men took was to get each other invited to make presentations at their organization's conferences; gradually, this grew into guest workshops by union leaders and transit managers. These dealt with what Al Cormier calls "non-threatening issues." Ken Foster labels them as "communication issues" how we could find better ways to talk to each other. "When I was first invited to address CUTA," he recalls, "I was treated with respect, but like an alien."

But, over time, more and more people on both sides realized that they could strengthen their hand in city transit debates by sharing strategic information, and by making common cause on some issues. Foster puts it this way: "It turned out there were lots of misconceptions on both sides about what the organizations were saying about the issues. When we started talking, we found out that we were saying the same things."

"Our people were hindered from doing some kinds of advocacy because of their positions within municipal governments," Cormier remembers. "Ken's members were upset that all sorts of route decisions, with big cost impacts, were being made with no consultation with the frontline bus drivers who could see their implications firsthand."

A turning point for Foster was a workshop about labour-management communications by Edmonton Transit General Manager Greg Latham at a national ATU meeting in the late 1980s. "That one could have gone either way," he says today. "But there was great participation in the workshop by our members, and they really appreciated having him there."

By 1993, ATU and CUTA staff were up to their necks in detailed land use and transit planning issues. That year, both ATU and CUTA recognized that, if management and labour were to improve their credibility with municipal planners and city councils, they would have to jointly address the transit cost factors within their control. "We had to do our own homework before we would be in a position to address other issues," says Cormier.

The CUTA and ATU Executive Committees agreed that a more formal working structure was needed. By the end of 1993, a resolution had been passed both by CUTA and ATU's members calling for the creation of a 16-member Competitiveness Task Force. Ken Foster and Greg Latham were tapped to co-chair it. Al Cormier agreed to manage the secretariat.

All remember that it took some time to get the task force off the ground. Getting the right representation was important – the resolution called for an equal number of transit system general managers and local union presidents, including an individual prepared to represent the issues and concerns of women in the industry. Some of these people were new to the process.

In Cormier's words, "the new people needed time to get to know each other. We spent the first two or three meetings getting comfortable with each other, and developing a recognition that we had shared objectives. After that, we developed a set of processes that local systems could use to deal with tough issues."

And tough issues they were. The task force cast a wide net, and took on all the factors in collective bargaining agreements that could affect productivity: wages and performance-based pay, work rules, part-time work, overtime and shift work, spread time between shifts, job descriptions, health and safety provisions, as well as dispute resolution mechanisms like arbitration. The task force added new approaches to scheduling and fleet maintenance, contracting-out, and human resources issues like employment equity. These were defined by the task force as issues that were in the control of management and labour.

Other productivity determinants, like fuel prices and land use patterns, were left out.

In all, the project will cost about a quarter of a million dollars. Contributions to the project from the Labour-Management Partnerships Program (\$100,000), and the Government of Ontario (\$75,000) have helped out.

The task force agreed to work in two steps. Phase I, completed in July 1995, was to prepare and widely distribute a report on their work. Phase II, now in development, will consist of local workshops on the task force's recommendations for local joint action by labour and management; municipal councils, boards and commissions; and the Canadian Council of ATU and the Board of Directors of CUTA.

Foster and Cormier shared the podiums at ATU and CUTA national conferences, held in June 1995, to present the task force's report titled "Public Transit: It's Our Future." Together, they painted a bleak picture of troubling trends in urban transit and predicted that the industry would be in deeper trouble if transit systems were unable to become more cost-effective and improve service quality.

Calling their change program "a shared vision of transit's revitalized workplace," the task force made sweeping recommendations for improvements to communications between labour and management, generally calling for adversarial bargaining processes to give way to more positive approaches. To counter the threat of privatization and contracting-out, they said, joint action was needed to find co-operative models that were more efficient, productive and beneficial to customers.

Turning to specifics, Cormier and Foster presented the task force's four-part strategy:

- streamlining the way that management and labour work together, and strengthening collaboration;
- revitalizing the workplace by involving workers in decision-making;
- rewarding initiative and sharing productivity gains;
- increasing efficiencies by reducing bureaucracies and red tape.

The two men finished by setting out the options that local systems could use to develop better communications. They suggested possible joint programs, training and co-operative initiatives. Special attention was paid to trying to find places where collective agreement terms could be standardized among different employers, and to joint responses to municipal moves to privatize or contract-out transit services.

The task force has stayed in business for Phase II, helping local systems review and pilot some of the recommendations.

"If there's anything that's been personally disappointing about our work so far," says the ATU's Ken Foster, "it's that the take-up has been slower than I expected." Nevertheless, he can already point to a workshop in Thunder Bay that he and Cormier believe has helped local leaders create a more effective way of dealing with employee grievances.

"We have to let this simmer for a while at the local level," Cormier says. Management, he points out, is under great pressure to deal with day-to-day operational and political problems, and absorbing the task force's wide-ranging work will take some time.

The co-chairs agree that it was not just a lucky coincidence of commuting that drove their organizations together, and underline the intense pressures facing their industry. "Our backs were to the wall," says Foster. "When members asked 'what's in it for me', all I really did was ask whether sitting back with our heads in the sand, and carrying on business as usual, would work. People understood that we needed to change our ways, or we'd be dead in the water. In the end, ATU's decision to support the task force idea was unanimous."

Both men seem to think that the confrontational labour relations climate that once marked the industry is gone forever. As CUTA's Cormier puts it, "We had to make tough decisions to get together, and that meant that management had to recognize a legitimate role for unions in changing things. The trust we developed was, and will be, absolutely essential for us to succeed."

Ken Foster gives partial credit to a new breed of leader, different from more traditional trade unionists. It seems a new pragmatism has landed on both sides of the bargaining table, and Canada's public transit systems will be better off for it.

New Shortline Operations Could Protect Profits, Jobs: The Canadian Pacific Railway (CPR) and Rail Unions Find a New Future

"Railway people can be more loyal to the job than to the company or the union. The railways are a legacy to my kids, my grandkids and the rest of the people in this country. If we have to make big changes to keep them, that's what we need to do; maybe working co-operatively is the only way to get there from here."
Devin Rodway, a locomotive engineer from Lacombe, Alberta, spent almost two years helping out on a study of the shortline railway industry carried out by the Canadian Pacific Railway and the Canadian Council of Railway Operating Unions."

Tough choices confront Canada's main line railways, and the unions that represent their employees. A decade of railway deregulation in the United States has made it commonplace for Class "A" railroads to sell branch lines, and for new "shortline railways" to buy and operate them. US railways have been transformed – shortline railways have grown rapidly; main lines have reduced operations, laying off about 220,000 workers in the process.

Two years ago, hoping that things could be different in Canada, the Canadian Pacific Railway and the Canadian Council of Railway Operating Unions (CCROU) decided to jointly study the shortline industry. Helped by \$91,960 from Labour-Management Partnerships Program, the study exploded some myths about shortline operations, positioned the CPR to create two "internal shortlines," and helped the Company and the unions develop an innovative collective agreement to fit the new ventures.

The co-operative process used to manage the study is seen as a model for future joint initiatives.

Mike Hone is Vice-President of the CCROU, a 12,500 member umbrella organization of the United Transportation Union and the Brotherhood of Locomotive Engineers. "Our unions," he says, "had been fighting against deregulation for a long time. But the times were changing, and we had to change with them. I had a secure conviction that if we tried to make changes that would protect employees, we would be doing a service for our members."

"We needed to know what was happening in shortline," says Wayne Hanson, who recently retired from his labour relations post at Canadian Pacific. "We thought that if we could adapt some practices to the Company, and model an internal shortline, we could save track and save some jobs."

Manager of Customs for CPR, George McBurney, who was Assistant Chief of Transportation at the time of the study, says that internal shortlines can allow uneconomic lines to restructure and become profitable, and set up the carrier to handle freight fed from shortlines to the main line. The CPR, he says, is also facing uncertainties. Recent Canadian legislation, he says, follows the US model of deregulation.

With support from the CPR's senior management and key union officials, the shortline rail study was launched in May 1994.

Seventeen months later, when shortline operators and employees in Canada and the US had been interviewed, and the results assembled in a thick 200-page report that documented all aspects of their operations, the 'shortline mystique' – what McBurney calls "misconceptions and pre-conceived ideas" – had been shattered. Although the wage difference between Class 'A' railroads and shortlines was more than expected, the almost-legendary job flexibility – where employees served as "jacks of all trades," driving a locomotive in the morning, and, if need be, repairing track in the afternoon – turned out to be a myth.

Mike Hone says that promises of lower freight rates was also a myth. "We found that shortlines charge as much as main line railways, and that many receive plenty of subsidies from state and municipal governments."

Hanson speaks for all the participants when he says that the study process "was great. At the first meeting, we all sat on different sides of the table – company, union, government officials, and the consultants. By the third or fourth meeting, there were no 'sides' – it wasn't 'them and us'. Nobody raised their voice at a meeting, and, in the end, many of us became good friends."

Like Hanson, Devin Rodway, the engineer from Lacombe, was more accustomed to controversy and raised voices when the CPR and the unions met. "The shortline study was a great opportunity to work co-operatively," he says. "We opened up a lot of trust.

After a while, you'd see union people arguing company points, and vice versa."

Rodway goes on. "It was an eye-opener. I think we paid attention to **all** the stakeholders; not just the Company and the unions, but the people in the Canadian towns that depend on the railway to move their products, and the farmers on the prairies."

The CPR has now established two internal shortlines, one in British Columbia and one in Ontario. Hanson says that the collective agreement was not "negotiated, in the traditional sense. It was more like we sat down, and worked together on what we needed to have in it."

The CCROU's Mike Hone agrees with that. He says that many of the study recommendations were reflected in the collective agreement. "The study committee was involved in the discussions about the collective agreement, and that was very helpful." The shortline agreement, he says, was in many ways "a leap of faith" for both sides.

According to Hanson, "the agreement preserved the traditional benefits for employees, but the working rules were thrown out."

"Wages will vary more than in the main line agreements, but, for the first time in the rail industry, there will be gain sharing. There's a flat management structure, and if grievances aren't handled right away by management, they will be handed straight to a joint Advisory Committee – and that's another first!"

The Committee discovered three prevailing management styles among the shortlines, CPR's Hanson says. He uses the term "innovative entrepreneurship" to describe the open communicative approach to successful shortline management, where employees are involved in decision-making, and contrasts it with the less successful "traditionalist" approach which shuns such innovation, and the short-term, profit-oriented "lean entrepreneur" approach to the shortline operation.

Why did the shortline study process work so well? The men involved all refer to its importance for the future of the Company and the union. "The goals that we shared were more important than our individual agendas, or for that matter our egos," says the CPR's Hanson, and Rodway highlights "a good dose of paranoia" about the future among the union rank and file.

Second, the men praise the consultants, and the government officials who participated on the study team, for keeping the early meetings focused on study issues. Some say that the outside participants almost acted as "mediators" during the first meetings.

Everyone involved highlights a "team dynamic" that evolved. Shortline operators, says engineer Rodway, "were amazed that a company guy and a union guy showed up, wanting to know the same things." Mike Hone points out that the people picked to work on the study were individuals who were accustomed to changes in the railway industry, and well aware of the 'big picture'. The focus of the work was on problem-solving, he says.

George McBurney concurs: "In spite of the vast differences in size, value, equipment, traffic, geography and funding or backing among the lines we saw, the ability to work together cooperatively emerged as the main factor in creating and sustaining a successful shortline. Everyone, from the junior track employee to the regular enginemaster to senior management, needed to have the same direction, goal and focus ... and needed to see their efforts making a difference."

"We made excellent use of the LMPP money," adds McBurney. The study process, he adds, showed him that the best ways to manage change are found "when supervisors and unions can both change their attitudes to work together. That involves trust – during the study, our communications with each other were always open and honest, and that made a difference."

Both Company and union spokesmen say the shortline railway experiment will affect how employment issues are handled on the main lines. Built into the collective agreement, for example, are provisions to jointly monitor progress on operations and human resource issues. The CCROU's Mike Hone expects that the shortline experience may help the CPR and the unions select other specific issues or work problems that can be co-operatively resolved.

Hone also looks forward to government policy to help foster the development of internal shortlines, especially where continued rail service is crucial to local or regional economies. Mentioning the 1996 floods that destroyed rail links in northern Québec, he says, "CN operates an internal shortline serving that area. With their capacity, they were able to begin rebuilding right away. A bare-bones independent

shortline operator would have been wiped out, unable to withstand that catastrophe.”

In all, the shortline railway study may help Canada’s national railways and their employees survive sweeping change. Devin Rodway sums it all up: “The unions have the power to demolish the rail industry in this country. If we’re stubborn, and don’t make changes, we can do that. To me, that would be a national disaster.”

Crocus Investment Fund: A New Model of Employee Ownership and Participation

“You need to combine employee ownership with participation if you really want productivity gains,” says Crocus Investment Fund CEO Sherman Kreiner. “Just buying a few shares doesn’t do that.”

The late 1980s were tough times for Manitoba. Branch plants were closing; locally-owned firms were in decline. Using a grant from the federal government arranged by the Canadian Co-operative Association, local leaders began work on an economic development strategy for the province. Sherman Kreiner, a lawyer from Philadelphia then helping unionized employees buy their firms, came on board as a consultant.

The diagnosis: Manitoba industries were shutting down, either from branch-plant reorganizations that took their jobs elsewhere, or because aging local owners, without succession plans, were selling out or simply closing up.

The seeds for Crocus were planted in a home-grown solution to Manitoba’s economic problems: employee ownership could be used to help keep jobs in Manitoba.

“Getting Crocus started was like having a baby. We worried a lot about it, especially during the first year,” stated Susan Hart-Kulbaba, former President of the Manitoba Federation of Labour, who recently left her elected union leadership position and works full-time as Crocus’ Labour Liaison.

When Gary Filmon’s Conservatives were elected in 1988, his first Throne Speech included “expanded employee ownership” as part of the government’s economic strategy. Although the government, according to Hart-Kulbaba, saw worker’s money as “money of last resort” she met with the Premier, and

convinced him that labour and the new government could find at least one constructive and positive way to work together. Since 1983, the Manitoba Federation of Labour (MFL), with 375 local affiliates representing 89,000 members, had called for a labour-sponsored investment fund.

The Premier agreed to combine MFL’s push for a new fund with the employee ownership idea. He said the province would assist the fund, buying its first \$2 million in shares – about half of what Hart-Kulbaba thought it would need. A matching \$2 million Federal contribution met the balance of the Funds seed equity requirements. Work started on new legislation.

Manitoba’s ***Employee Ownership Fund Corporation Act***, passed in 1991, created Crocus, and gave it a unique mandate. Crocus investments would be targeted to small- and medium-sized companies, and invest, especially when employee ownership or participation is included in the deal. Since its first sales in the 1992 Registered Retirement Savings Plan (RRSP) season, the Fund’s assets have doubled every year, and now stand at \$50 million – it has the highest per capita sales of any of Canada’s labour-sponsored investment funds; more than 12,000 Manitobans hold shares. Crocus has invested more than \$17 million in Manitoba’s high tech, service industries, and traditional manufacturing operations.

Sherman Kreiner and Susan Hart-Kulbaba had a vision for Crocus, right from the beginning. Aiming high, they wanted to make sure that Crocus’ funds were used to promote meaningful employee ownership, and the most democratic workplaces possible. That meant doing two things:

- developing a legal/financial instrument that created broad based employee ownership;
- making sure that employees had the know-how to take on a real role in corporate governance.

Kreiner points to research – lots of it – that links worker participation to higher productivity.

Crocus provides a comprehensive “ownership training program.” “If we’re really doing employee ownership,” Hart-Kulbaba is quick to point out, “people have to learn how to do it.” The federal government’s Labour-Management Partnerships Program provided important funding of \$87,500 for the development of Crocus’ sweeping training and education programs.

"We start the employees in 'basic training', learning about financial statements and their use in evaluating the performance of a company and the rights and responsibilities of ownership," says Kreiner. "It's crucial for them to understand what their business is all about."

Crocus has a bigger picture, too. Crocus is sold both by Manitoba's commercial brokers, and, like a few other labour-sponsored investment funds, by trade union members seconded to Crocus for each RRSP season – these 34 people accounted for half of Crocus sales in the 1996 season. With top-notch securities commission-level training behind them, the Crocus sales force has become an important year-round resource for the trade union movement in Manitoba.

Training and education doesn't stop there. The leaders of key MFL affiliates, usually meet four to six times yearly in a labour advisory committee. Part of their work is to stay up-to-date on new employee ownership and participatory management techniques in Manitoba and in other jurisdictions. They learn about the investment process and securities issues. Some even participate in the review of investment deals.

And before Crocus inks an investment deal, Company CEO's must sign up for a quarterly roundtable. The "CEO Roundtable" brings them and CEO's of other innovative Manitoba companies together to discuss management challenges, and what Kreiner calls "structural design for participative management" – widening their focus to deal with the bigger challenges of participatory workplaces. "Two of the four CEO Roundtables have an expanded agenda," says Kreiner, "where we talk about innovative things in employee participation. We just held a roundtable on 'open book management', how to share full financial information with employees."

Susan Hart-Kulbaba says that it's more than money. "Crocus brings in the expertise available from worker ownership that can increase productivity. People are beginning to understand that Crocus can stimulate a higher return on investment, because of all that. They like our head space, not just the money in our pockets."

The Crocus Investment Fund illustrates how labour, management and government can join forces to help rescue an ailing economy. What were the key ingredients to the co-operative approach?

According to Susan Hart-Kulbaba, "it was angst, and sleepless nights." She talks about making sure that the trade union movement's internal discussions about labour-sponsored funds were handled first, and getting Manitoba's union leaders and rank and file to support the special objectives Crocus adopted. There were times when that was tough. "There are so many models of employee ownership out there. Some people in the trade union movement didn't believe it could happen, and didn't want to touch Crocus with a 20-foot pole. They thought we'd end up investing in tired old branch plants with no clients or customers."

"But saving a few jobs for a few years is not what we're doing. We're aimed at making sure that worker ownership means a bigger say and a more democratic workplace." She says that Manitoba's small branch plant economy, with strong local leadership, was fertile ground for Crocus.

Second, she says, "You need a pragmatic approach to talk to government. We needed to get around the other issues that our movement had with Gary Filmon's Conservatives – it's not always easy, if politics are a problem." One of the biggest assets in getting Crocus started, she says, was having people within government who could communicate what the labour movement wanted, negotiating and translating MFL's objectives into policy and legislation.

Kreiner says he's always seen what he does as driving toward worker democracy. "Having an active fund, operating at the grassroots level," he says, "can start other institutional and individual investors thinking about where their money goes. Will it create jobs in Hong Kong or Winnipeg? That can make a difference."

With a powerful new financial institution on the scene, more and more Manitobans are choosing to use their investment dollars to benefit their local communities.

INNOVATIVE WORKPLACES

This study is part of the Lessons Learned series, which synthesizes what evaluations in Canada and other countries have taught us about a range of high-profile human resource development policy priorities. Copies of the report are available from EDD at edd@spg.org or 1-888-440-4080. This study is based on research conducted by Ekos Research Associates and the Canadian Labour Market and Productivity Centre, under the direction and for Evaluation and Data Development (EDD), Human Resources Development Canada (HRDC). These technical studies are available on the EDD web site (www.hrdc-drhc.gc.ca/edd).

Series

Canadian governments are trying to achieve the most productive and cost-effective results from human resource programs and policies. Professionally-conducted evaluations can help them reach that goal. They document our experiences with policies and programs that have had similar goals. They add to the “corporate memory” that helps us make better decisions in the future.

Human Resources Development Canada (HRDC) has a strong commitment to continuous learning and improvement. Over the past decade, at HRDC we have invested time and money in evaluating many of our programs and policies. Evaluations have covered a wide range of human resources development programs and policy issues. These have been complemented by our reviews of evaluations by other governments, in Canada and internationally, of other human resource initiatives.

HRDC has developed the “Lessons Learned” series to make this wealth of information and insight available to more people, more easily. *Lessons Learned* is a series of documents and supporting videos that synthesize what evaluations in Canada and other countries have taught us about a range of high-profile human resource policy priorities. They summarize what we know about the effectiveness of policy initiatives, programs, services and funding mechanisms.

Lessons Learned are of interest to senior managers and policy analysts in Canada’s governments. Program managers, members of the academic

research community and other stakeholders could also benefit from having a clearer idea of the lessons we have learned from past and present programs.

HRDC is pleased to add this new study to the series. It focuses on the lessons learned from experience in innovative workplaces in Canada and abroad. In the last ten years, the advent of workplaces which implement innovations in various areas have become more common. However, little is known on the effectiveness of those innovations. What makes an innovation successful? What factors are to be considered when embarking on such an exercise? Those are some of the questions that the study addresses. The information produced for this study was used as an input to the *Report of the Advisory Committee on the Changing Workplace* published in June 1997.

As a learning organization, HRDC will continue to experiment with new approaches and evaluate their effectiveness. HRDC recognizes the vital importance of the evaluation process and is committed to continuing its work in this area.

1 — Introduction

Workplace change through innovation¹ has become a prominent issue for business, labour, and government during the 1990s. Indeed, there seems to be a shared view that organizational innovations have the potential to enhance business performance, to increase the quality of work, and ultimately to

¹ All through this Report, change and innovation is used interchangeably.

contribute to aggregate productivity and income growth. But what is meant by “workplace change”? For the purpose of this study, we define it as a change that is primarily employer-initiated and focused above all on enhancing the flexibility of the organization. This is a broad concept that encompasses strategic, structural, and behavioural dimensions. Despite the fact that many consider it positive, workplace change raises a number of important “real-world” questions. Are there certain workplace changes that lead to particularly positive outcomes? Are there ways of implementing workplace change that increase the likelihood of positive outcomes? What steps can be taken to encourage the diffusion of effective organizational innovation? What is the role of government?

Relying primarily on evidence from case studies, this report highlights the “*lessons learned*” from the experience with organizational innovation in this country and elsewhere. The purpose is to identify the key lessons that are important for understanding workplace change, the innovation process, and its outcomes. Before setting out these lessons, we set out the methodology of this study in section 2. Then in section 3, we offer an overview of workplace change – defining the concept and presenting a conceptual framework. The lessons are presented in section 4. The fifth section briefly summarizes the quantitative survey evidence on the incidence and impacts of workplace change. Finally, in section 6, we discuss implications for business, labour, and government.

2 — Methodology

This report addresses the questions raised above using the experience of recent research on workplace innovation in Canada and elsewhere. This research includes both quantitative evidence collected through various surveys as well as case studies of the individual experiences of numerous organizations. The surveys, especially those based on large samples of randomly selected establishments, can provide an overall sketch of the extent of workplace innovation, including a picture of where innovation has occurred and what forms it has taken. However, there are limitations stemming from the quantitative nature of

survey data which cannot capture the complexity of organizational innovation. It is in this respect that case studies are most useful, particularly in understanding the process of change which is the central issue of this report. Fortunately, a substantial number of case studies have now been carried out in this country and elsewhere, describing a wide range of workplace innovations. These cases span a number of industries in both goods and services and in the public as well as the private sector. They include large organizations and small ones, both with unions and without.

3 — An Overview of Workplace Change

What is Workplace Change?

As mentioned above, workplace change or workplace innovation is primarily employer-initiated and focused above all on enhancing the flexibility of the organization. This imperative for flexibility is competitiveness-driven and primarily in response to changing markets and new technological opportunities. Organizational flexibility itself can come in many forms. It can relate to the establishment’s ability to vary its workforce by hiring and firing, by altering hours of work, by using nonstandard employees, or by subcontracting or out-sourcing (known as “numerical flexibility”). It can also relate to the establishment’s capacity to reorganize how work itself is carried out within the firm (“functional flexibility”²). Flexibility strategies can focus on the internal operations of the firm or on the relationships between the firm and external markets and agents.

It must be emphasized that workplace change designed to enhance flexibility (or any other objective for that matter) can take many forms depending, for example, on a host of industry – and firm-level characteristics. National factors, including history, culture, and institutions also matter. The nature of workplace change and the innovation process can differ significantly from country to country even when the motivators and the types of programs and policies themselves are similar. This largely reflects differences in the traditional organizational paradigms. To illustrate, Canadian (and this generally applies to

² This characterization has been used by the Organization for Economic Co-operation and Development (OECD) for a number of years. See, for example, OECD (1996).

American and British) firms traditionally have adopted organizational strategies and practices that have emphasized numerical flexibility, relying on labour markets that, by international standards at least, are relatively unregulated. In contrast, up until now, European markets have been more regulated. However, consensual labour relations systems have accommodated more bipartite negotiation and agreement on workplace issues. This has led to organizational systems that traditionally have been based much more on well-developed internal employment systems that already provided considerable functional flexibility. The differences in the current direction of innovation in the two regions reflect the traditional strengths and weaknesses of each: many Canadian firms are now trying to become more functionally flexible while much of the innovation reported in the European case studies illustrates a drive to establish more external flexibility, especially in the numerical sense.

That having been said, despite the marked differences at an international level, over the first half of the 20th century, two employment systems became the standards in Canadian workplaces (and North American workplaces more broadly).³ These systems, which have been challenged in the past few years, each emphasize one of the two forms of flexibility mentioned previously.

The first employment system, the “industrial” model, is typical of blue-collar employment in unionized settings. This model is associated with organizations that are flexible in the numerical sense but limited in terms of functional flexibility. It is characterized by strict work rules, rigid job definitions, seniority-based labour deployment (i.e., pertaining to hiring, promotion, layoffs), and wages attached to jobs (as opposed to workers). In this system, management has the prerogative to unilaterally make production and hiring/layoff decisions within constraints imposed by rules on work organization and staffing that were negotiated with labour.

The second system, the “salaried” model, generally applies to white-collar employees. Those employees usually work in non-unionized environments. This model offers management much more functional flexibility as job definitions, work rules, and deployment

policies are less restrictive. However, the salaried model involves a stronger notion of job security (to employees who are beyond a probationary stage) that imposes some constraints on numerical flexibility.

With the two employment systems now defined, we can discuss the move to more flexible workplaces (or organizational change more generally). This involves three overlapping areas where innovations happen.

Work organization: This involves changes in the production process, how work is organized, job responsibilities, work allocation, and organizational structure. Increasing flexibility (either functional or numerical) is at the core of most work reorganization initiatives. These can be internally-oriented (e.g., more fluid work rules, broader job descriptions, job rotation and multiskilling, work teams, flatter organizational hierarchies, functional integration) or externally-oriented (e.g., sub-contracting, out-sourcing).

Human resource management practices: Human resource innovations can cover a range of personnel management areas including hiring and firing, compensation, information-sharing and decision-making, training, and scheduling. Changes are internally-oriented and can affect both functional and numerical flexibility.

Industrial relations practices: In unionized environments, industrial relations innovations can also represent workplace or organizational changes. These can be new strategies, practices, or institutional structures that alter processes between labour and management.

Three points need to be emphasized in this overview of the concept of workplace change. First, there can be considerable overlap between work reorganization, human resource management change, and changes in industrial relations practices. In fact, it is common to see change occurring on all three fronts simultaneously. Second, workplace change can involve new strategies, structures, policies and practices, or some combination of these. It can be directly observable through tangible innovations in some situations but not in others where, for example, it is purely strategic. Third, there is no uniform model of workplace change that applies across all

³ This is adapted from Osterman (1988).

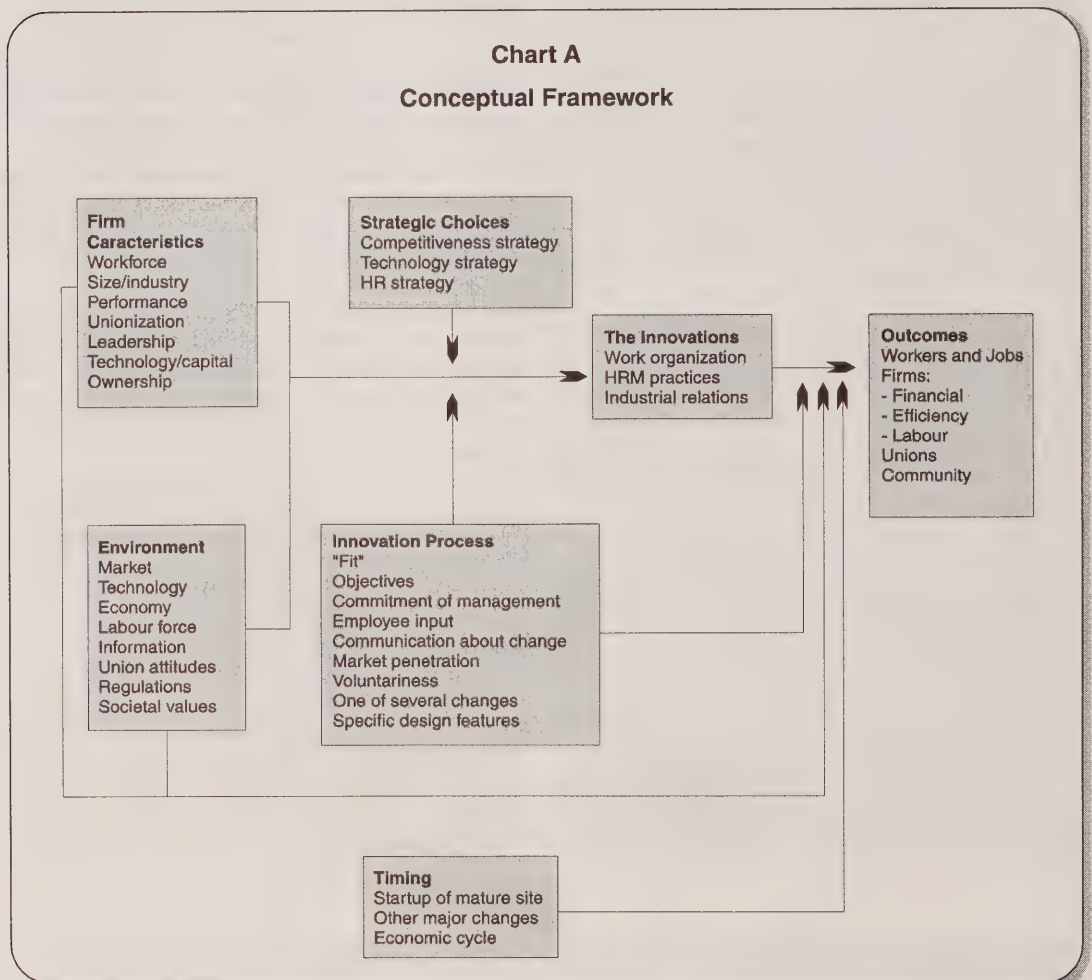
organizations. What is an innovation for one firm is current practice for another. This is also why there are no magic recipes that lead automatically to successful innovation.

A Framework for Understanding Workplace Change

Chart A presents a conceptual framework for considering workplace change. This is a very generalized framework in order to accommodate the fact that workplace change occurs in diverse settings; that it can encompass a diversity of strategies, structures, and practices; and that it potentially can generate a wide range of outcomes. As the exhibit indicates, a consideration of workplace change involves six elements:

The environment: Most organizational innovation is initiated in response to changes in the organizational environment (e.g., competition and technological change that alters production possibilities, organizational and human resource requirements). The changing nature of the labour force, specifically trends to older, better educated workers and to a greater female presence, has also been a significant environmental factor driving workplace innovation.

Firm characteristics: "Structural" features (e.g., enterprise size, industry, workforce composition, technology, unionization, ownership) and more intangible ones, (e.g., organizational history and culture) help establish how an organization would respond to a challenge through workplace change.



Strategic choices: Managers make choices about business and about operational strategies. And, with employees and their unions, they make choices about work organization and human resource and industrial relations strategies. These choices dictate others, and play a key role in determining the kinds of workplace change that they would seriously consider.

Workplace change: Workplace change involves work reorganization and changes to various practices in human resource management and industrial relations.

The innovation process: The success of a workplace change initiative does not just depend on what the organization does, but also how it does it. Ideas must be instituted effectively and in a well-thought through fashion.

Outcomes: Workplace change can have significant positive outcomes for the firm, its employees and union(s), and for the community. The cumulative effect of organizational innovation can have impacts on the labour market and society. It is difficult to empirically identify causes and effects since workplace innovation may not be the only factor leading to change. There could be differences between companies that devote resources to introduce innovations and those that do not.

4 — Lessons Learned

What conclusions can be drawn from the experience with workplace innovation? To answer this question, seven key observations are listed and described below. These observations are useful in explaining the patterns of workplace change, the nature of the changes, the innovation process, and successful change outcomes. While these observations have been put forward as “*lessons learned*” from past experience, they should not be taken as a manual for implementing successful organizational innovation. In the first place, organizational innovation, by its very nature, defies the notion of specific “best practice.” There may be “best principles” that are broadly applicable (although even here there could be debate) but particular strategies and approaches that are successful will vary across workplaces because of differences in organizational history, culture, markets,

and so on. In the second place, the importance of mutual trust between management and labour must be mentioned. This, while crucial, is not included because it has been routinely noted elsewhere. Finally, research has demonstrated that organizational innovation can lead to significant benefits for firms and for workers; however, innovations that work can take various forms.

The following seven lessons address a number of aspects of organizational change including motivating forces, the role of strategic choice, the innovation process, and outcomes. Although these lessons do not set out a recipe to establish an innovation that will be successful, they reveal the conditions that are often found among organizations that have innovated successfully.

Workplace change can be driven by a variety of forces. The particular source does not necessarily determine whether a change process will be successful or not.

It has frequently been observed that a crisis of some sort often triggers workplace change. These can be of a number of types. Most common are “competitive crises” that threaten the very existence of the organization.⁴ Even where the situation has not reached crisis proportions, workplace change may be introduced in order to improve the overall competitiveness of the firm. In fact, increasing numbers of organizations are now constantly searching for improved flexibility and enhanced overall competitiveness.

While competitive crises may spark many cases of workplace change, a range of other factors can also come into play. The introduction of new technology is frequently a motivation. Many organizations have found that computer technologies, in particular, have required complementary workplace changes in order to be most effective. Other frequently observed drivers of workplace change include the introduction of new products or services; a desire on the part of the parties to improve a difficult labour relations climate; the need to address a range of personnel problems around morale, recruitment, and retention; and new owners or senior managers with their own views on the best workplace strategies.

⁴ Strictly speaking, government organizations are not exposed to competitive crises; however, as recent experience has shown, public-sector establishments have been vulnerable to an analogous force stemming from major government cutbacks.

A range of factors, then, can drive workplace change. There is little evidence that the initial context for change necessarily has a significant impact on ultimate outcomes. Other things seem to matter more.

Senior management commitment is absolutely essential for implementing a sustainable change process.

Regardless of what the mission statement or the personnel policy book say, sustained efforts at creating an innovative human resource climate are not possible without an unwavering belief on the part of the person or people at the top that it is important. The most conducive environments for successful organizational innovation are those where the commitment does not specifically come from a particular individual but, rather, from a shared culture that pervades the management team. This not only ensures widespread buy-in but also reduces the risk that a change in senior personnel might lead to the unravelling of the innovative process. As a footnote to this point, some case studies have highlighted the point that supervisors and first-level managers are absolutely essential to the effectiveness and sustainability of a meaningful change process.⁵

Unions need to develop effective strategies to govern their approach to workplace change processes.

Labour's concerns regarding organizational change obviously overlap with those of management but it is important to recognize that its priorities may include job security, training opportunities, protecting collective rights and other issues that may not be high on management's list. Change processes that do not recognize this diversity of interests are unlikely to succeed over the long term. This story has been repeated frequently in recent years, especially where change has been introduced by management, without any prior consultation with the union. The available evidence suggests that organizational innovations are most often introduced in this way.⁶

And, where innovation is a "top-down" process, this can create dilemmas for unions. In many cases, union locals have not been prepared for addressing workplace change initiatives, which usually involve issues beyond their traditional experience and expertise. That frequently has left them with choosing between two difficult options. On the one hand, they can accept management initiatives and the associated risk that these might not be in the interests of the membership or the union itself. Or, they can oppose them and face the potential hazard of blocking changes that might be necessary to ensure the survival and competitiveness of the organization. There are various arrangements that can help unions work out their dilemmas around workplace innovation. These include initiating a process to air old grievances before embarking on a new change process; using third-party assistance; and formalizing arrangements through written agreements.

Ultimately for unions, there are two keys to making workplace change work for their members. One is to develop their own agenda on workplace change, identifying the ingredients that will be necessary for the change to benefit the membership. While some locals have been able to get support from regional or national offices, in most cases they simply have to work through the issues themselves and identify the conditions that are necessary for their endorsement and participation in the change process.

The second key, which involves not only unions but management as well, is for the parties to take a long-run view of both core issues involved in most change initiatives – competitiveness and security. In the long-run and in many organizational situations, notions of security, job quality, and income distribution become closely linked with competitiveness. But, if the parties cannot get beyond a short-term time horizon and identify "a community of interests," the tradeoffs may be too stark to forge a satisfactory and sustainable workplace agreement.

⁵ Duxbury and Higgins (1994), for example, emphasize the role of this level in determining whether many forms of innovation, such as flexible work arrangements, will be successful. They argue that truly innovative arrangements depend more on this informal support than on the existence of a specific policy or program.

⁶ This is not evident from case studies, that we reviewed which, more often than not, depict change processes that have been initiated in a truly joint fashion. This however largely reflects the bias inherent in the case selection process. It is more difficult and often viewed as less interesting to collect cases where the workplace change process has been initiated unilaterally by management. Survey evidence, however, indicates that is the typical situation (e.g., Betcherman et al., 1994).

There are no “magic recipes” and successful workplace change can look very different in different organizations. “Fit” is a critical consideration.

The diversity inherent in organizational innovation is underlined throughout this report. That is, there are many routes to success and what works will be dictated by the nature of the organization and the environment around it. In the literature, growing emphasis is being placed on the notion of “fit”.

“Fit” primarily refers to the consistency between work reorganization initiatives and other aspects and activities of the organization. There is consensus among researchers that successful innovation tends to take the form of “bundles” of interrelated practices that are internally coherent and that logically follow from the overall approach and philosophy of the firm.⁷ Some case studies, on the other hand, have shown the pitfalls of attempting to graft participatory human resource innovations onto an organization that has neither a participatory corporate culture nor complementary practices and strategies in other areas. “Fit” can also have an external aspect which refers to the need to introduce workplace practices that are consistent with the economic, social, and institutional framework in which the organization operates.

The participation of “third parties” can have a significant influence in either direction on a change initiative.

A variety of “third parties” can affect the workplace change process. These include mediators and facilitators, consultants, industry groups, and governments and the involvement of each can take various forms. While third party intervention can occur at different points in the process, it seems to be most frequent in the early stages.

The involvement of third parties can have a range of impacts. In some situations, the effects can be ambiguous or even problematic. To offer just one example, there are instances where the use of consultants to guide the implementation of workplace change has not worked out because the organization

rejects the external intervention, the consultant has failed to fully appreciate the organizational culture, or the change itself is unsuitable for the company.⁸

However, third parties, including consultants but others as well, can play a useful role. They can, for example, play an important part in transmitting specialized knowledge and expertise into the organization. They can also be effective in mediating differing interests and helping stakeholders build the trust necessary to establish workable tradeoffs. Third party intervention, in the form of industry associations or government programs, can also provide necessary resources, often through “pooling” resources; can help parties reduce some of the risks associated with innovations (such as concerns about losing intangible investments); and can broker different interests.

Information represents an important dimension at all stages of organizational innovation, from introduction through implementation to evaluation. This lack of information impedes successful innovation and its sustainability.

The importance of information tends not to be recognized in workplace innovation processes. Yet information can be critical for diagnosis, implementation, monitoring, and evaluation.

Various studies have identified the difficulties associated with the diffusion of useful innovation principles across organizations.⁹ Although an apparently successful change in one setting may well not be easily transplanted elsewhere, too many organizations (employers and unions) have incomplete or inaccurate information about workplace change; indeed, this may have led to the frequently discussed “flavour of the month” syndrome. As we will see in the conclusion, governments may have a useful role to play here in generating and disseminating such information.

There are other sorts of information problems that can plague the innovation process. For example, most organizations do not collect the required data to be able to analyze the impacts of a workplace innovation. This lack of information can also come into play as

⁷ See, for example, Ichniowski et al. (1996).

⁸ These problems are discussed in a review of article of *The Economist* (1997).

⁹ For example, Gunderson and Riddell, (1997).

deficiencies with respect to monitoring the progress of an innovation initiative. This can lead to misunderstandings on the part of the parties with respect to its costs and benefits and how they are distributed. Thus, good information can affect the sustainability of innovations.

There are naturally difficulties involved in collecting and interpreting the required data. Nevertheless, some organizations now are placing a priority on developing indicators that will help them measure the impacts of intangible processes, like workplace change.

Expectations of workplace change must be realistic in terms of goals, timeframes and the impact of unplanned events.

This final point concerns questions around what can be achieved from workplace change. There is a growing body of evidence suggesting that employer objectives regarding productivity, quality, and overall performance can be positively affected by workplace innovations designed to increase flexibility and the contribution that employees can make. There is less research, however, on the outcomes for employees and their unions. It does appear that “high-performance” style innovations can improve human capital investment opportunities (and, by extension, future employability and earnings potential), can enhance job quality, and in certain forms, can offer employees more flexible work arrangements.

However, even successful change processes are unlikely to be panaceas for all that ails an organization. It is true that there can be positive spillovers in terms of organizational “learning,” building trust between the parties, and developing workplace institutions that can be more broadly applicable. But, for the most part, innovations should be measured only against the goals that they were established to pursue.

Another qualification concerns organizational “patience”. It has been frequently articulated in the research literature that the sorts of investments involved in organizational innovation are investments

that require a long time to generate returns. In a business environment (and increasingly a political one too) where markets (constituencies) are “impatient”, there are a lot of pressures to demonstrate benefits immediately. To have time to be successful, then, change initiatives generally need to be in settings where the context is a long-run one.

Finally, there is an important element of chance involved. There are cases where larger forces beyond the establishment determine the outcomes of a change process regardless of what has been going on inside. A change in leadership, a wider corporate restructuring, or a change in market conditions can often be decisive factors. In other words, organizational change is only one small part of the restructuring of business, government, and the economy more generally and it is often not among the most important parts.

5 — Survey Evidence on Workplace Change in Canada

The general observations discussed in the last section drew heavily on the kind of qualitative evidence available from case studies. Nonetheless, a summary of quantitative survey evidence on the diffusion and impacts of workplace change is important for situating the overall picture, and that, in spite of their methodological limitations.¹⁰ Nevertheless, it is possible to sketch out a general profile of workplace practices in Canada and the extent to which organizational change has moved that profile from the traditional systems described in section 3. The summary which follows draws primarily on two establishment surveys carried out in the mid-1990s.

Incidence of Workplace Innovation

The Human Resource Practices Survey (HRPS) gathered workplace data from 714 Canadian establishments with at least 40 employees. Those establishments operated in four sectors: wood products, fabricated metal products, electrical and

¹⁰ In the first place, it is difficult to define and measure the concept of “organizational change,” especially in ways that are appropriate across different types of workplace settings. Measurement is particularly problematic in small firms where strategy and practices tend to be informal and not codified. Also, as might be expected, there are often differences across surveys in terms of sampling and other aspects of methodology. And, as we have already noted, collecting quantitative data on outcomes raises special challenges for a number of reasons including difficulties involved in isolating impacts of workplace change from other (often related) factors, such as technological change.

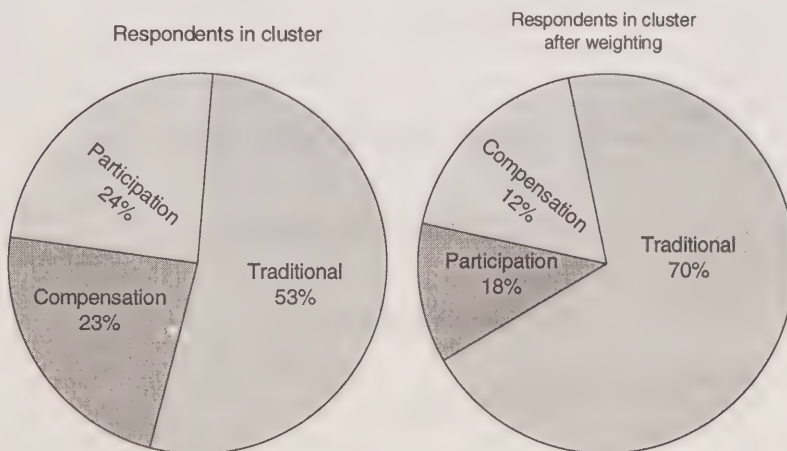
electronic products, and a range of business services.¹¹ The HRPS collected data on a large number of practices which enabled the analysis to focus on HRM systems, or bundles of practices.¹² The study identified three dominant HRM systems, with their (weighted) establishment distribution shown in Chart B. The three systems are the following:

The traditional system: Establishments fitting into this model have undergone very little workplace change, with their traditional system more or less intact. The study estimated that this cluster included 70 per cent of all establishments with 40 or more employees in the four sectors covered. Firms reporting traditional systems tended to be small, with business strategies based primarily on cost reduction.

The participation-based system: Just under 20 per cent of the firms reported organizational and human resource changes that were designed above all to increase the direct contribution of employees in the workplace. These organizations emphasized some combination of job redesign, team work, employee involvement, and information sharing. Firms in this group tended to have competitive strategies based on innovation and quality.

The compensation-based system: This system described about 13 per cent of the sample. While the direction of workplace change in the previous group stressed intrinsic rewards associated with job quality and involvement, this group focused on increasing extrinsic rewards largely through compensation

Chart B
Distribution of HRM Clusters, IRPS



¹¹ The methodology and results are presented in Betcherman et al. (1994).

¹² The weighting took place to get a distribution of workplaces that reflected the real distribution by size of enterprise in each sector.

innovations (e.g., pay-for-skill/knowledge, gainsharing, profit-sharing). These firms were disproportionately large and in business services.

The second survey, the Workplace Training Survey (WTS) did not gather as much detail on work organization and human resource practices as the HRPS, but it offers the benefits of a large sample of establishments ($n=2,584$) in all industries except agriculture and government.¹³ The sampling frame included establishments with two employees or more, so it is one of the few surveys that has covered micro and small firms. The sample was weighted to reflect the regional, size, and industrial composition of the economy.

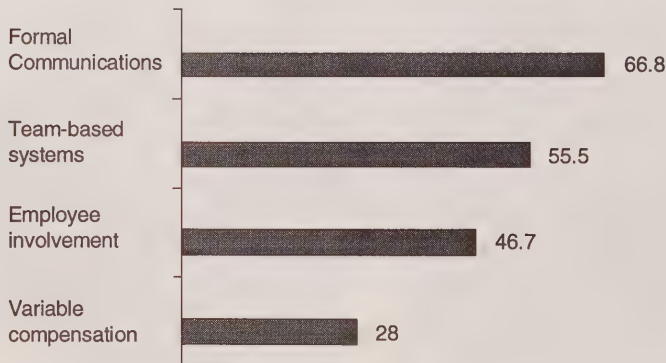
Evidence from the WTS on the incidence of four types of organizational/human resource innovations is shown in Chart C. The data indicate that two-thirds of establishments report formal communication or information-sharing policies; just over half indicated that they had team-based systems in place; slightly

less than half had formal employee involvement programs (e.g., labour-management committees, quality circles); and just over one-quarter reported variable compensation plans (e.g., profit-sharing). The WTS data showed that the incidence of these workplace changes was positively correlated with size, technological change, competing in international markets, and "people-centred" business strategies.

Outcomes of Workplace Innovation

These surveys also addressed the issue of workplace change outcomes, although only from the perspective of the firm. Even if it remains difficult to link innovations and results with precision, a limited research base now exists, consisting mainly of US studies, that suggests that firms introducing workplace changes involving intangible investments (e.g., in human capital) and flexible work practices do experience positive payoffs.¹⁴

Chart C
Incidence of Selected Practices, WTS



¹³ The survey is reported in Betcherman, Leckie, and McMullen (1997).

¹⁴ This literature is reviewed in Ichniowski et al. (1996).

The HRPS and WTS data offer support for this conclusion. In the former survey, establishments that had adopted non-traditional workplace systems – i.e., the compensation and participation-based practices – were more likely to report improved performance trends than respondents with traditional systems. A similar analysis based on the WTS data found that establishments that had introduced innovations such as those included in Chart C reported significantly better revenue and performance trends than other establishments.

One other important point regarding the link between workplace innovation and firm performance comes from Wagar's (1994) survey of organizations in Atlantic Canada. In this analysis, qualitative variables capturing the degree of social responsibility and the sharing of decision-making and information were more powerful determinants of performance than any concrete programs or practices. This result underlines the fact that effective workplace change depends, above all, on the social context within the firm, especially the culture, the trust, and the commitment to genuine innovation.

6 – Implications for Stakeholders

Clearly, management and labour must be the primary actors in workplace change. Government and other third parties can play a role as we have seen, but it cannot be the central one. We have already emphasized the importance of both business and labour lengthening their strategic horizons and actively seeking out organizational ideas that will have positive payoffs in their particular organizations.

While government is not necessarily concerned about what is happening within individual workplaces, it does have a legitimate concern about how it can encourage the diffusion of effective organizational practices in order to support macro objectives such as productivity and employment growth and income distribution. There are both “market failure” (around intangible investments) and “public good” aspects to the government role here. This involves a wide range of policies areas including education and training, industrial partnerships, research and information, and ultimately labour and social policy.

7 – Conclusion

One major point of emphasis in this report has been the diversity inherent in organizational innovation. There are no guaranteed formulas for implementing successful change. What works in one setting may be inappropriate in another. Existing research has demonstrated the importance of “fit,” both internally with the firm's culture and what it is doing in other functional areas and externally with its economic and institutional environment.

As we have argued, a key element in sustainable organizational innovation is that the stakeholders maintain a long-run perspective with a strong orientation towards “intangible” investments. Without that, it will be very difficult to work out the divergent interests involved, especially those between management and labour.

The incidence of workplace change is still relatively low, although it can have positive payoffs in terms of improved firm performance and a range of benefits for employees. However, past experience also underlines the difficulty of sustaining effective innovation, even once the process has been launched. There are many obstacles that come into play – for example, information barriers, externalities associated with intangible investments, pressures for immediate benefits, various institutional barriers, and the different interests of the stakeholders. The degree to which these obstacles are overcome will dictate the diffusion of effective organizational innovation in the future.

In conclusion, this report has presented various considerations that public policy should be addressing in order to support the sorts of organizational innovation that encourage investments in people, that offers individuals the opportunity to enhance their employability, and that contribute to economic performance.

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OCCUPATIONAL SAFETY AND HEALTH: PARTNERS TOGETHER IN SAFETY!

*Client Education and Training
Operations Directorate
Labour Program, Human Resources Development Canada*



From left to right: Honorable Lawrence MacAulay, Minister of Labour; Honorable Gordon D. Giffin, Ambassador of the USA and Alonso De Gortari, Minister Economic Affairs, Embassy of Mexico

Second North American Occupational Safety and Health Week

All industrialized countries are concerned about the negative impact in both human and economic terms of the incidents that occur each day in their workplaces. To address the situation, the three countries that signed the North American Agreement on Labour Cooperation (NAALC) – an agreement that complements the NAFTA (the North America Free Trade Agreement) – decided to hold the North American Occupational Safety and Health (NAOSH) Week again this year and for the next two years.

Therefore, from May 18-24 1998, the United States, Canada and Mexico joined forces in making their respective populations aware of the importance of preventing industrial accidents and occupational illnesses. The theme for that second North American Occupational Safety and Health Week was "Occupational Safety and Health: Partners Together in Safety!". This tripartite cooperation encourages all

three partners to examine issues and take action in an area where a country can never do too much to protect its labour force – its most valuable resource.

In Canada, the event replaced the Canadian Occupational Health and Safety Week, which was held in this country for the past ten years. The Labour Program of Human Resources Development Canada (HRDC) was responsible for promoting the week nationally. It has joined forces in the coordination of activities with its main occupational safety and health partners, the Canadian Society of Safety Engineering and the Canadian Centre for Occupational Health and Safety.

Everyone is being asked to pitch in because occupational safety and health is a social issue. We should be concerned that on average in Canada, a person is injured on the job every nine seconds, and one worker in 15 is liable to have an accident in the coming year. Even more disturbing is that one third of compensable time-loss accidents involves young workers between the ages of 15 and 24.

Workplace accidents do not affect only the people who are injured or killed on the job; they affect their family and friends as well. In addition, they have an impact on the strength of the Canadian economy with their \$10 billion in direct and indirect costs.

It is therefore important to keep repeating the prevention message year after year so that together we can improve the situation. There are many sources of information and many opportunities to learn more or help others to learn more about the importance of avoiding the hazards that exist in a given workplace. The week is also a chance to obtain information about legislation and regulations designed to reduce risks.

All of us – employees, employers, union leaders and politicians – should take a renewed interest in this critical issue. Let's make occupational safety and health a day-to-day priority!

ADAPTING TO CHANGE: UNION PRIORITIES IN THE 1990s*

Pradeep Kumar
Professor at the School of Industrial Relations
Queen's University

Gregor Murray
Professor in the Department of Industrial Relations
Laval University

Sylvain Schetagne
Independent Trade Union Researcher
Montreal

Unions around the globe are facing hard times and losing their power and influence. A recent International Labour Organization study notes that of the approximately seventy countries for which comparable data are available, about half have seen a drop in their membership over the last ten years (International Labour Organization 1997). Among the OECD countries, where trade unions have been relatively strong, union density, that is union membership as a percentage of the non-agricultural labour force, has been declining, in varying degrees, in almost all countries. In North America, the steady decline in US union membership, started in 1980, continues, while in Canada union membership and density have remained relatively stable (International Labour Organization 1997, Human Resources Development Canada 1997). There is a general consensus that the pervasive union decline is linked to profound changes in the external and internal environment. The adverse impact of these changes on the organizational, bargaining and political strength of unions is evident at all levels, from the workplace to national and international.

While there is little doubt that unions are facing a difficult problem of adaptation to change, the nature and extent of change in the environment or in union responses is indeterminate, not well documented, and

varies from country to country.¹ The purpose of this paper is to provide empirical perspectives on the nature, extent and scope of environmental change facing Canadian unions and the impact of these changes on their organizational and bargaining priorities. A subsequent article in the *Workplace Gazette* will highlight the nature and extent of workplace change, its impact on workers and unions, and the union agenda, policies and support systems to facilitate the change process. The analysis is based on a survey of innovations and change in Canadian labour organizations,² conducted by the Workplace Information Directorate of Human Resources Development Canada (HRDC) in 1997.

The overall picture that emerges is that the change in union environment over the past few years has, indeed, been profound, rooted in both the changing economy, labour markets and public policy and employer and worker behaviour and attitudes. The union response, the survey results show, has been both defensive and pro-active, focusing on protecting current levels of wages and benefits as well as fostering social unionism through expanded programs of education and research, new organizing, building coalitions with social groups and promoting rank and file activism.

* This paper is the result of a research partnership on innovation and change in labour organizations between the Workplace Information Directorate of Human Resources Development Canada and Professors Pradeep Kumar and Gregor Murray. The views expressed are those of the authors and do not necessarily reflect those of the Government of Canada.

¹ For international perspectives, see Olney 1995 and Wever 1997; for the challenges facing Canadian unions, see the special issue of *Policy Options* (October 1995).

² An overview of the results is available from the Workplace Information Directorate of HRDC.

The 1997 HRDC Survey of Innovation and Change in Labour Organizations

In order to promote a better understanding of union responses to a changing environment and to gather information on innovations and change in union goals, strategies, policies and practices, the Workplace Information Directorate of HRDC completed in 1997 the first of a series of surveys on labour organizations. The first survey focused on the environment facing unions, their overall organizational and bargaining priorities, and their strategies and support systems to facilitate workplace change that benefits membership, improves the work environment and strengthens the union influence in the workplace. The design, execution and analysis of the survey is the result of a partnership between university researchers and HRDC. The survey questionnaire was developed in consultation with senior research and policy staff in key labour organizations and, following a pre-test, was mailed to each of the national and international labour organizations in Canada, identified on the basis of Part I of the 1996 edition of *Directory of Labour Organizations in Canada*.³

The sample frame was dictated by the nature of union organizational structure in Canada. Union structure might be envisaged as being made up of several basic building blocks: the certification unit or bargaining unit, the local union, various regional or administrative groupings of union membership, the national or international union and the central labour body or congress. The Canadian union movement is made up of a complex mix of these different building blocks ranging from completely independent local organizations to national and international unions, themselves affiliated to central labour bodies such as the Canadian Labour Congress. In order to provide an overview of environmental trends and strategic policy orientations, the survey focused on national and international unions. These unions are characterized by a high degree of organizational autonomy and major decisions about approaches to bargaining, organizing and political activity are generally made at

this level.⁴ Moreover, for labour organizations which are not affiliated to a labour congress or central, it is the only possible level of strategic decision-making. Two factors should, however, be taken into account with regard to this unit of analysis. First, not unlike the variable geometry of the Canadian labour movement itself, this design means that smaller unions are compared with much larger ones. Secondly, the larger union organizations are asked to generalize about the possibly quite varied experience of their different components in diverse sectors. The particular strength of the survey design is its potential to make linkages between environmental change and a range of organizational practices and policy initiatives and to provide valuable perspectives on the dynamics of union responses and adaptations.

The survey was completed by 99 of the 269 labour organizations to which the questionnaire was sent, for an overall response rate of 36.8 per cent. The response rate was directly proportional to size (see Table 1), ranging from 31.1 per cent for unions with less than 500 members to 64.7 per cent in the case of unions with 50 000 members or more. The higher response rate for larger unions also reflects a more intensive and personalized follow-up with these unions.

The 99 respondent labour organizations represent 2,343,980 workers, 59.9 per cent of the membership in the 269 unions surveyed. While the membership of the largest unions (50,000 members and more) represents a much larger proportion of membership in the respondent unions (71.2 per cent), this is also true of the targeted labour organizations as a whole, reflecting a high degree of concentration in a small number of very large organizations (see Table 2). Indeed, this appears to be increasingly the case over time. For example, at the beginning of 1997, the ten largest labour organizations represented 48.4 per cent of union members in Canada; comparable figures for 1990 and 1980 were 41.7 per cent and 41.0 per cent respectively (Arrowsmith 1992).

³ Entries in Part I include international or national unions either affiliated or unaffiliated to a central labour congress and having one or more members. Independent local organizations, i.e. labour organizations consisting of a single bargaining unit and having more than 50 members, but not affiliated with any other labour organization, are listed separately in Part II of the Directory and fall outside the population of this study.

⁴ The possible exceptions to this observation are certain labour federations within the Quebec labour centrals where the division of labour between federations and confederation sometimes differs from that observed in the more decentralized Canadian Labour Congress/Fédération des travailleurs et travailleuses du Québec configurations. Our design took account of this organizational diversity.

Table 1
Participating Unions by Membership Size

	<u>Respondents</u>	<u>Non Respondents</u>	<u>Total</u>	<u>Response Rate (%)</u>
1 - 499	19	42	61	31.1
500 - 4,999	35	71	106	33.0
5,000 - 24,999	25	40	65	38.5
25,000 - 49,999	9	11	20	45.0
50,000 +	11	6	17	64.7
Total	99	170	269	36.8

Table 2
Membership Distribution of Respondent Unions by Size

	<u>Respondent Unions</u>		<u>Total Sample</u>	
	<u>Membership</u>	<u>Distribution (%)</u>	<u>Membership</u>	<u>Distribution (%)</u>
1 - 499	4,780	0.2	14,100	0.4
500 - 4,999	61,960	2.6	218,690	5.5
5,000 - 24,999	258,530	11.0	695,490	17.8
25,000 - 49,999	350,120	14.9	692,320	17.7
50,000 +	1,668,590	71.2	2,299,220	58.7
Total	2,343,980	100.0	3,914,820	100.0

The unions and membership covered by the survey are broadly representative of the larger Canadian labour movement. The respondent unions represented all major sectors of the economy and a large number of workplaces: 15,114 bargaining/certification units and 7,526 locals. They also covered a variety of sizes of bargaining/certification units: 4,516 collective agreements covering 198,700 workers in units of less than 100 workers; 1,414 agreements covering 363,150 workers in units of 100-499 workers; and 502 agreements covering 799,150 workers in units of 500 or more workers. Of the 2,343,980 members in the respondent unions,

36.1 per cent were women. In 44.1 per cent of the respondent unions, a majority of members were women.

Extent and Nature of Environmental Change

The environment for labour organizations in Canada has changed considerably over the last decade according to the survey results. We asked respondents to assess the overall current environment for bargaining, organizing and servicing for their organization compared to ten, five and three years

ago. Change was, of course, more pronounced over the longer time frame. Almost nine out of ten unions surveyed stated that the current environment was “very different” or “different” than the environment ten years ago; 78.1 per cent of respondents indicated that the overall current environment was very different and 11.5 per cent said it was “different” from the environment of ten years ago. Only 10.4 per cent reported that it was similar. Over the medium term, four-fifths of respondents indicated that the environment was very different or different from that

of five years ago: 34.7 per cent reported that it was very different and 49.0 per cent that it was different, as opposed to 16.3 per cent who stated that it was similar. Six out of ten respondents similarly suggested that the current environment is very different or different from that of three of years ago (see Table 3). All unions, irrespective of size or sectoral location, were likely to report change but it was the smaller unions that were more likely to report a greater extent of change in the preceding three years.⁵

Table 3
Current Union Compared to 3, 5 and 10 Years Ago

		Very Different	Different	Similar
		(%)	(%)	(%)
10 years ago	(n=96)	78.1	11.5	10.4
5 years ago	(n=98)	34.7	49.0	16.3
3 years ago	(n=99)	23.2	38.4	38.4

n=number of respondents

Respondents were also asked to rate the importance of 17 possible environmental changes on a three-point scale (very important, somewhat important, not important). Three factors are identified as very important or somewhat important in the new environment by more than nine out of ten unions in the survey (see Table 4). These include economic uncertainties, employer attitudes/behaviour and rising membership expectations. Among other elements judged as very important, a majority of respondents identified government budget and spending cuts, industry restructuring and adverse changes in labour legislation. Other factors cited by at least four out of ten respondents as being very important included changes in social policy, privatization, the rapid pace of technological change, deregulation, outsourcing or contracting-out, increasing part-time work and competitive pressures. The importance of these factors does not tend to vary either in terms of union size or sector. Only industry restructuring was more prevalent for unions in the private as opposed to the public sector.

In order to identify better the nature and scope of specific types of change taking place and the pressures that they exert on union organizations, we asked respondents to report on changes taking place in their major sector or industry over the preceding three years. More specifically, respondents were asked if there had been an increase, no change or a decrease in each of the areas identified. Although a few unions completed this part of the survey for more than one industry, we only report here the principal concentration of membership for each union organization. Themes included changes in union representation, environmental pressures, management strategies, workplace practices, work environment and labour-management relations.

Employment and union membership: The pressures on employment and membership appear to be intense, judging by the survey response. In terms of the change in the overall level of employment in their major industry over the previous three years,

⁵ When reference is made to a significant difference, either in terms of union size or sectoral location, we are referring to a p value < 0.05. Union size refers to smaller unions (under 1 000 members), medium-size unions (1 000 to 9 999 members) and large unions (10 000 and more members). The respondent unions were also classified as public or private in terms of the location of their principal concentration of members.

Table 4
Importance of Various Factors in the Current Environment

		Very Important (%)	Somewhat Important (%)	Not Important (%)
Government budget/spending cuts	(n=97)	74.2	15.5	10.3
Employer attitudes/behaviour	(n=96)	62.5	33.3	4.2
Economic uncertainties	(n=97)	61.9	37.1	1.0
Industry restructuring	(n=94)	57.4	28.7	13.8
Adverse changes in labour legislation	(n=95)	55.8	28.4	15.8
Rising membership expectations	(n=94)	46.8	46.8	6.4
Changes in social policy	(n=94)	44.7	40.4	14.9
Privatization	(n=98)	42.9	27.6	29.6
Rapid pace of tech change	(n=93)	41.9	43.0	15.1
Deregulation	(n=96)	40.6	28.1	31.3
Out-sourcing/contracting-out	(n=97)	40.2	36.1	23.7
Increasing part-time/contract work	(n=97)	40.2	36.1	23.7
Competitive pressures	(n=95)	40.0	35.8	24.2
Persistent high unemployment	(n=95)	38.9	34.7	26.3
Jobless recovery	(n=96)	35.4	37.5	27.1
Aging population	(n=94)	24.5	47.9	27.7
Increasing population of women/ minorities in the workforce	(n=95)	10.5	44.2	45.3

n=number of respondents

68.8 per cent of the participating unions reported a decrease, 15.1 per cent experienced no change and 16.1 per cent indicated an increase in employment (see Table 5). The level of full-time employment followed a roughly similar pattern with 68.1 per cent reporting a decrease, 27.5 per cent no change and 4.4 per cent an increase. The downward pressures on full-time employment seem to be more acute for unions in the public sector compared to the private sector. This pressure on employment and full-time employment in the major sector does not, however, necessarily translate into overall membership loss which suggests that unions are taking compensatory actions in other sectors. While a decline in membership is the major trend, with 45.8 per cent of the respondents reporting a decrease, 27.1 per cent of unions actually reported increased membership and another 27.1 per cent no change. Finally, the survey revealed considerable stability in the degree of competition between unions for membership: 55.3 per cent of respondent organizations reported no change in this aspect of their environment; 36.8 per cent of unions experienced an increase in

the degree of inter-union competition; and 7.9 per cent indicated a decrease. In summary, the survey results show that unions in Canada are experiencing increasing downward pressure on employment, particularly full-time employment, which translates into decreased membership. However, unions appear to be coping well with the change: a sizeable number of unions have actually succeeded in increasing their membership over the preceding three years.

Environmental pressures and management strategies: Unions are clearly operating in an environment of increased competitive pressures and cost-cutting. The majority of respondents report an increase in domestic and international competition (see Table 6). These intense environmental pressures are manifested in the trends in management strategies reported by the unions participating in the survey. The majority of unions indicate increased management emphasis on cost reduction (88.5 per cent), closures and mergers (76.3 per cent), downsizing (75.3 per cent), outsourcing and contracting-out (67.5 per cent), use of temporary (65.5 per cent) and

Table 5
Changes in Employment and Union Representation

		<u>Increase</u> (%)	<u>No Change</u> (%)	<u>Decrease</u> (%)
Overall level of employment in the industry	(n=93)	16.1	15.1	68.8
Full-time employment	(n=91)	4.4	27.5	68.1
Number of workers represented	(n=96)	27.1	27.1	45.8
Degree of inter-union competition	(n=76)	36.8	55.3	7.9

n=number of respondents

Table 6
Environmental Pressures and Management Strategies

		<u>Increase</u> (%)	<u>No Change</u> (%)	<u>Decrease</u> (%)
Degree of domestic competition	(n=55)	56.4	36.4	7.3
Degree of international competition	(n=47)	55.3	38.3	6.4
Emphasis on cost reduction	(n=96)	88.5	7.3	4.2
Extent of closures/merges/amalgamations	(n=80)	76.3	16.3	7.5
Extent of downsizing	(n=93)	75.3	16.1	8.6
Level of outsourcing/contracting-out	(n=83)	67.5	27.7	4.8
Use of temporary workers	(n=84)	65.5	28.6	6.0
Recourse to privatization	(n=66)	57.6	36.4	6.1
Use of part-time workers	(n=82)	56.1	40.2	3.7
Use of volunteers	(n=48)	45.8	50.0	4.2

n=number of respondents

part-time workers (56.1 per cent) and privatization (57.6 per cent). Moreover, these pressures are systematically more acute in the public sector than in the private sector. This is especially true of various forms of contingent or non standard work. Thus, 84.0 per cent of public sector union respondents indicate an increase in the use of temporary workers and 72.7 per cent an increase in the use of part-time workers as opposed to 38.2 per cent for temporary workers and 31.3 per cent for part-time workers in the private sector. The use of volunteers is also identified by 61.8 per cent of public sector respondents (as opposed to 7.1 per cent in the private sector).

Workplace practices and work environment:

Management strategies to cope with the pressures of environmental change have also been associated with radical changes in methods of operation and work practices, impacting the work environment. As can be seen in Table 7, more than four-fifths of the unions surveyed report an increase in new methods of operations (82.1 per cent) and in the use of new technologies (81.6 per cent). Respondents also report extensive recourse to new forms of work organization such as multi-tasking/multi-skilling (78.2 per cent), team or group working (62.2 per cent) and the adoption of total quality or ISO programs (61.5 per cent). The workplace change initiatives appear to have had a

major effect on the work environment: 85.3 per cent of participating organizations report increased workload and, once again, this effect is even more pronounced in the public sector than in the private sector. The majority of respondents also identify an increase in health and safety concerns (55.7 per cent), an increase in layoffs (54.7 per cent), which is again more likely in the public sector, and a decrease in the job security of members (53.7 per cent). These results are consistent with other recent studies of the effects of workplace change on work environment.⁶ There also appear to be shrinking opportunities for advancement and promotion, irrespective of sector or size: 48.3 per cent of respondents indicate a decrease in such opportunities as opposed to 47.2 per cent who indicate no change and only

4.5 per cent who report an increase. Some aspects of the work environment are more equivocal however. Worker access to training, for example, is stable for half of the respondents while a quarter report an increase and the other quarter a decrease. The increases are more likely to be observed in workplaces represented by large unions and unions in the private sector. Public support for public and social services has also increased for a greater proportion of respondents (30.4 per cent) than it has decreased (26.1 per cent), the remainder identifying no change (43.5 per cent). The survey adds, therefore, to the considerable evidence of a union environment characterized by extensive change, increased workload and declining job security and shrinking opportunities for promotion.

Table 7
Workplace Practices and Work Environment

		Increase (%)	No Change (%)	Decrease (%)
Degree of new methods of operation	(n=67)	82.1	10.4	7.5
Implementation of new technologies	(n=87)	81.6	16.1	2.3
Extent of multi-task/multi-skilling	(n=87)	78.2	21.8	-
Use of team working/group-bases work systems	(n=82)	62.2	31.7	6.1
Use of total quality or ISO programs	(n=65)	61.5	33.8	4.6
Workload of members	(n=95)	85.3	10.5	4.2
Health and safety concerns	(n=97)	55.7	38.1	6.2
Numbers of layoffs	(n=86)	54.7	36.0	9.3
Level of job security	(n=95)	16.8	29.5	53.7
Promotional/advancement opportunities	(n=89)	4.5	47.2	48.3
Workers access to training/retraining opportunities	(n=92)	25.0	50.0	25.0
Public support for public/social services	(n=69)	30.4	43.5	26.1

n=number of respondents

Labour-Management Relations: The environmental changes, modifications in managerial strategies and workplace practices and stresses in the work environment have had a significant impact on the labour-management relations climate. As Table 8 shows, nearly four-fifths of the unions surveyed report increases in employer demands for wage concessions (77.7 per cent) and work rule concessions (76.5 per cent). An increase in such demands is again more prevalent

in the public sector (reported by 87 per cent of respondents) as opposed to the private sector (indicated by 65 per cent in the case of wage concessions and 63.2 per cent for work rule concessions). Moreover, nearly half of the respondent unions (45.2 per cent) reported that they were "often" asked for wage or other concessions during the term of an agreement.

⁶ See Statistics Canada (1994), Lewchuk and Robertson (1996 and 1997), Lewchuk (1997) and Lévesque, Murray, LeQueux and Roby (1996).

Table 8
Changes in Labour-Management Relations

		<u>Increase</u> (%)	<u>No Change</u> (%)	<u>Decrease</u> (%)
Employer demands for concessions in wages and benefits	(n=94)	77.7	19.1	3.2
Employer demands for concessions in work rules	(n=85)	76.5	20.0	3.5
Union-management conflicts	(n=95)	48.4	38.9	12.6
Union-management cooperation	(n=96)	38.5	36.5	25.0
Advance notice of organizational change by employers	(n=91)	25.3	57.1	17.6
Incidence of information sharing by employers	(n=91)	31.9	46.2	22.0
Degree of consultation/communication on workplace issues	(n=94)	38.3	41.5	20.2
Coordinated bargaining between different bargaining units of the same employer	(n=73)	31.5	53.4	15.1
Pattern agreements between employers in the same industry	(n=64)	17.2	71.9	10.9
Employer bargaining power	(n=95)	66.3	27.4	6.3
Union bargaining power	(n=94)	17.0	23.4	59.6
Worker trust/confidence in the union	(n=96)	30.2	50.0	19.8
Worker satisfaction with rank and file communications	(n=96)	30.2	54.2	15.6
Worker satisfaction with unions services	(n=94)	39.4	45.7	14.9
Public support for unions	(n=91)	16.5	48.4	35.2

n=number of respondents

The survey responses reveal contradictory trends in the union-management relationship: more conflict, but also increased cooperation. Nearly half of the participating unions (48.4 per cent) indicate increased conflict over the preceding three years, and this is more often the case in the public sector (57.4 per cent) than in the private sector (36.6 per cent); only 12.6 per cent (7.4 per cent public sector unions and 19.5 per cent private sector unions) report a decrease in union-management conflicts. However, 38.5 per cent of respondents (34.5 per cent public sector and 43.9 per cent private sector) also identify an increase in union-management cooperation, compared to 25.0 per cent which have experienced a decline in such cooperation. For both conflict and cooperation, an increase is the dominant trend. In other words, environmental pressures and workplace change appear to have created a more volatile environment with both conflict and cooperation characterizing the new workplace.

Although change is invariably the dominant trait of current labour-management relations as perceived by the union respondents, a large proportion of participant unions report no change in a number of areas: advance notice of organizational change by employers, incidence of information sharing, degree of consultation and communication on workplace issues, number of management layers, workforce diversity, use of incentive payment systems and profit-sharing. A majority of unions also report no change in coordinated bargaining between different bargaining units of the same employer or in pattern agreements between employers in the same industry. Indeed, coordinated bargaining between different bargaining units of the same employer is more likely to have increased than decreased.

Although the survey shows mixed trends in relation to a number of aspects of the union-management relationship, the impact of the changing environment

on the bargaining power of the parties appears to be unequivocal. The dominant trend is one in which employer bargaining power has increased, apparently to the detriment of union bargaining power. Among the respondent unions, 66.3 per cent identify an increase in employer bargaining power as opposed to 27.4 per cent which have experienced no change and only 6.3 per cent which have observed a decrease in employer bargaining power. Union bargaining power appears to present virtually a mirror image of that of the employer: 59.6 per cent of respondents report a decrease in union bargaining power, 23.4 per cent no change and 17.0 per cent an increase. Union bargaining power is more likely to have decreased and less likely to have increased in the public sector than in the private sector.

Neither the apparently negative results of environmental change on the work environment or the lesser union bargaining power imply, however, decreased worker confidence in their unions. The survey results indicate an underlying stability in membership support for their unions. A greater percentage of respondents actually perceive an increase than a decrease in worker support over the three years preceding the survey. Half of the unions report no change in worker trust or confidence in the union, 30.2 per cent indicate an increase and 19.8 per cent a decrease. Similarly, for the majority of participating unions (54.2 per cent), there has been no change in worker satisfaction with rank and file communication; 30.2 per cent report an increase and 15.6 per cent a decrease. Worker satisfaction with union services follows a similar pattern. Smaller respondent unions, with a membership of 1,000 members or less, are more likely to identify a positive trend on these three indicators as opposed to the larger unions with a membership of 10,000 or more. The reported strength of membership support for their unions contrasts, however, with the respondents' perception of public support for unions. If worker support for unions is more likely to have increased than decreased, the opposite is true of public support for unions; 35.2 per cent of the participant unions report a decrease in public support compared with 16.5 per cent indicating an increase in support.

To summarize, unions in Canada are experiencing a great deal of change. This is most evident in environmental changes, managerial strategies and associated modifications in workplace practices and their adverse effects on the work environment. The impact of these changes on labour-management

relations are quite mixed, marked by an underlying stability in many aspects of the labour-management relationship as well as an increased incidence of both conflict and cooperation. There is unequivocal evidence of a significant shift in bargaining power towards the employer, more pronounced in the public sector, but the shift has not undermined membership support for the union as an institution. On the contrary, the dominant trend is one of stability and worker commitment to the union is more likely to have increased than decreased.

Organizational Priorities

How has this environmental change affected the overall organizational priorities of the unions participating in the survey? We asked respondents to rate 13 items in terms of their overall importance for their organization's priorities. It is perhaps not surprising, given the relative adversity of the environmental changes outlined above, that the overwhelming priority of Canadian unions is, above all else, a defensive one, namely the protection of the current level of members' wages and benefits (see Table 9). Almost all of the organizations participating in the survey (95.9 per cent) identified this as either an extremely important or a very important priority. Indeed, the relative importance of this core function is perhaps one reason why worker confidence in the union as an institution is either stable or on the increase.

Other organizational priorities suggest a more pro-active orientation on the part of Canadian unions. The second priority, in order of overall importance, identified by 70.5 per cent of respondents, is the encouragement of rank and file activism. The third and fourth priorities are similarly pro-active: promoting new employment opportunities (62.1 per cent) and promoting worker participation in decision-making (60.0 per cent). In other words, the major priorities identified by the respondents are not solely focused on traditional "bread and butter" issues but rather extend to building the organizational strength and dynamics of the union to respond more effectively to a vastly different environment.

The survey results highlight the importance of both traditional union objectives and the new areas of concern. Increased wages and benefits are a priority for 57.7 per cent of respondents. Political action to change public policy is identified as extremely or very important for their organization by 54.2 per cent of

Table 9
Organizational Priorities

		Extremely/ Very Important (%)	Somewhat Important (%)	Not Very/ Least Important (%)
Protect current level of members' wages and benefits	(n=97)	95.9	3.1	1.0
Encourage rank and file activism	(n=95)	70.5	25.3	4.2
Promote new employment opportunities	(n=95)	62.1	25.3	12.6
Promote worker participation in decision-making	(n=95)	60.0	26.3	13.7
Increase wages and benefits	(n=97)	57.7	33.0	9.3
Organize political action to change public policy	(n=96)	54.2	30.2	15.6
Organize workers in union's traditional jurisdiction	(n=94)	51.1	18.1	30.9
Build coalitions with other unions and social groups	(n=97)	45.4	37.1	17.5
Develop new services for membership	(n=96)	41.7	39.6	18.8
Organize workers in new areas of growth	(n=91)	36.3	20.9	42.9
Reduce levels of contingent employment	(n=86)	31.4	26.7	41.9
Develop alliances with unions in other countries	(n=95)	22.1	26.3	51.6
Reduce working time	(n=95)	20.0	41.1	38.9

n=number of respondents

respondents. Similarly, the organization of workers in their union's traditional jurisdiction is a high priority for 51.1 per cent of the participating unions. A substantial proportion of unions also appears to be exploring new ways of seeking members and defending their interests. In particular, "social unionism" is an important option for a considerable number of unions as 45.4 per cent of respondents identify the building of coalitions with other unions and social groups as an organizational priority.⁷ Similarly, there is some emphasis on recruiting and retaining membership in new ways as 41.7 per cent perceive the development of new services as an important organizational priority, as is the organization of workers in new areas of growth for 36.3 per cent of the participating unions. Reducing levels of contingent

employment, developing alliances with unions in other countries and reducing working time are less important organizational priorities. In a context of globalization where effective union organization would increasingly appear to depend on some capacity to make linkages with groups of workers in other countries, the lack of emphasis on cross-border alliances might come as somewhat of a surprise. Similarly, given the international interest, particularly in Europe, in the reduction of working time as a method of attacking unemployment, the relative unimportance of this objective is striking.⁸ It does, however, need to be placed in a larger context of economic uncertainty where union leaderships are under increasing pressure from their members to protect uncertain levels of working hours.

⁷ "Social unionism" generally refers to the form of unionism oriented towards social change, emphasizing broader working class issues rather than pursuing the narrower interests of union members (Kumar 1993).

⁸ The lack of union priority on reduction in working time apparently reflects worker attitudes on this issue. A recent survey, conducted by Statistics Canada in November 1995, found that two-thirds of the paid workers in Canada were satisfied with their working hours. Only six percent preferred fewer hours for less pay, and 27 percent would like to work more hours for more pay if given the choice. See Drolet and Morissette (1997).

The overall organizational priorities appear to be influenced by two types of variables. First, a social unionism profile is more likely among the largest unions than the smaller unions. Thus, in terms of their most important priorities, the largest unions are significantly more likely to encourage rank and file activism (93.9 per cent), to organize political action to change public policy (75.8 per cent) and to build coalitions with other unions and social groups (63.6 per cent). The largest unions are also more likely to organize workers in new areas of growth (53.1 per cent) and to develop alliances with unions in other countries (45.5 per cent). The contrast between the largest unions and the others is particularly remarkable on this latter point as only 14.3 per cent of medium size unions and 3.7 per cent of smaller unions listed cross-border union alliances as an extremely or very important priority. In other words, unions with greater resources are most likely to engage in these types of initiatives. Secondly, there is also some variation between public and private sector unions. The private sector unions are significantly more likely to identify organizing as a high priority, both within their traditional jurisdiction (70.7 per cent) and in new areas of growth (57.5 per cent). Unions in the private sector are also more likely to identify alliances with unions in other countries as an important priority (31.7 per cent) as opposed to their counterparts in the public sector (14.8 per cent).

Bargaining Priorities and Success

The survey also explored the recent bargaining experience of the respondent unions. More particularly, from a list of 27 items, respondents were asked to rate the relative priority of different items on a three-point scale (high, modest and low) as well as the degree of success in meeting them during the most recent bargaining round.

The overwhelming bargaining priority was the protection of current wages and benefits: 90.6 per cent of respondents identified this item as a high priority (see Table 10). This was followed by lay-off protections which was a high priority for 64.4 per cent of the respondent unions. No other item was identified as a high priority by the majority of respondents. The importance accorded to these two items is undoubtedly the reflection of the relative adversity of the overall organizational environment facing the unions and the need for unions to concentrate on core defensive functions to ensure continued membership support.

A second tier of priorities, identified by more than 40 per cent of respondents, suggests, however, that unions are pursuing traditional job control and instrumental items but also attach considerable importance to playing an active role in workplace change. Among the job control and instrumental items that were listed as a high priority, the restriction of contracting-out or out-sourcing was identified as a high priority by 47.8 per cent of respondents, improved pensions and, early retirement provisions by 45.2 per cent and increased wages and benefits by 44.3 per cent. Participative mechanisms appeared to be an equally important priority. An increased union role in workplace decision-making was identified by 49.0 per cent of respondents, as was advance notice of organizational change (46.6 per cent). A consultation mechanism on change was rated as a high priority by 44.3 per cent of the participants. Finally, improved training and retraining opportunities were a high priority for 42.4 per cent of respondents. Once again, these results suggest that the union reaction to environmental change is not merely defensive, in terms of the importance of traditional control and protective objectives. These traditional goals, of course, remain very important but so too are a range of new bargaining priorities such as an increased union role in decision-making, advance notice of change and consultation mechanisms on change. These new priorities point to an attempt by Canadian unions to deal with change in a pro-active and consultative manner.

A third tier of priorities, rated as important by at least 25 per cent of respondent unions, concern a wide range of working conditions, job control and participative mechanisms. Among the instrumental items, cost-of-living adjustments were rated as a high priority by 35.1 per cent of respondents, as were better severance pay provisions (31.5 per cent) and health and safety improvements (27.2 per cent). The job control items include merger/amalgamation protocols (35.6 per cent), guarantees of minimum levels of employment (34.1 per cent), the regulation of workloads (34.0 per cent), technological change protections (33.0 per cent), labour adjustment provisions (32.2 per cent) and the regulation of working hours and shift provisions (30.1 per cent).

Participative mechanisms include access to financial information (28.9 per cent), the regulation of the pace and nature of workplace change (27.8 per cent) and increased worker control and responsibility (26.4 per cent).

Table 10
Bargaining Priorities in the Most Recent Bargaining Round

		High (%)	Modest (%)	Low (%)
Protect current wages and benefits	(n=96)	90.6	6.3	3.1
Lay-off protections	(n=90)	64.4	20.0	15.6
Increase union role in workplace decision-making	(n=96)	49.0	37.5	13.5
Restrict contracting-out/out-sourcing	(n=92)	47.8	25.0	27.2
Advance notice of organizational change	(n=88)	46.6	28.4	25.0
Improved pensions and early retirement provisions	(n=93)	45.2	39.8	15.1
Increase wages and benefits	(n=97)	44.3	37.1	18.6
Consultation mechanism on change	(n=88)	44.3	34.1	21.6
Improved training and retraining opportunities	(n=92)	42.4	40.2	17.4
Merger/amalgamation protections and protocols	(n=87)	35.6	25.3	39.1
Cost-of-living adjustments	(n=94)	35.1	27.7	37.2
Guarantees of minimum levels of employment	(n=88)	34.1	26.1	39.8
Control or regulate workloads	(n=94)	34.0	50.0	16.0
Technological change protections	(n=91)	33.0	31.9	35.2
Labour adjustment provisions	(n=87)	32.2	35.6	32.2
Better severance pay provisions	(n=92)	31.5	33.7	34.8
Regulate working hours/shift schedules	(n=93)	30.1	35.5	34.4
Access to financial information	(n=90)	28.9	34.4	36.7
Regulate the pace and the nature of workplace change	(n=90)	27.8	36.7	35.6
Health and safety improvements	(n=92)	27.2	38.0	34.8
Increase worker control and responsibility	(n=91)	26.4	48.4	25.3
Policy on harassment	(n=89)	23.6	31.5	44.9
Employment equity policies	(n=91)	18.7	29.7	51.6
Family related leaves	(n=89)	11.2	41.6	47.2
Restriction on overtime	(n=89)	11.2	39.3	49.4
Flex time	(n=90)	5.6	31.1	63.6
Child care facilities	(n=88)	2.3	17.0	80.7

n=number of respondents

Finally, a fourth tier of high priorities, identified by less than 25 per cent of the unions participating in the survey, largely concern gender and family issues. Thus, among these less pressing priorities are a policy on harassment (a high priority for 23.6 per cent of respondent unions), employment equity (18.7 per cent), family related leaves (11.2 per cent) and child care facilities (2.3 per cent). The other items which were not listed as high priorities concern working time, notably restrictions on overtime (11.2 per cent) and flex time (5.6 per cent). The grouping of the items in this fourth tier appears particularly significant given the importance of women and family issues for the

future of the labour movement. Two possible explanations might be advanced here. The first and more unlikely explanation is that these issues are a relatively low or modest priority for the respondent unions because they have already achieved a high degree of success on these items. The second and more likely possibility is that these issues have not really found their place as high priority items on the bargaining agenda of the majority of labour organizations.

What then is the degree of success achieved by the unions on their bargaining objectives? Table 11

presents the degree of success in the most recent bargaining round. A preliminary analysis suggests, first of all, that a high degree of success on any item is unusual in the context of the adverse bargaining environment discussed earlier. Secondly, when considered for all of the respondents, whether or not it was a priority item, the most likely items on which respondents report a high degree of success are the protection of current wages and benefits (49.4 per cent), lay-off protections (25.0 per cent) and improved pensions and early retirement provisions (23.5 per cent). Thirdly, on all other items, less than 20 per cent of respondents indicated a high degree of success. In

other words, irrespective of the priority attached to particular items, unions were more likely to succeed on traditional bargaining items and less likely to succeed in new areas of concern, even when they were judged to be a high priority. For example, an increased union role in workplace decision-making is a high priority for 49.0 per cent of survey respondents but only 5.8 per cent of the respondents report a high degree of success on this item. Finally, in a number of the new areas of concern, unions have achieved some, albeit modest, success. For example, on issues such as an increased union role in workplace decision-making, restrictions on contracting-out/

Table 11
Degree of Success in the Most Recent Bargaining Round

		High (%)	Modest (%)	Low (%)
Protect current wages and benefits	(n=87)	49.4	41.4	9.2
Lay-off protections	(n=80)	25.0	38.8	36.3
Increase union role in workplace decision-making	(n=86)	5.8	50.0	44.2
Restrict contracting-out/out-sourcing	(n=80)	15.0	48.8	36.3
Advance notice of organizational change	(n=77)	16.9	42.9	40.3
Improved pensions and early retirement provisions	(n=81)	23.5	44.4	32.1
Increase wage and benefits	(n=86)	14.0	47.7	38.4
Consultation mechanism on change	(n=77)	11.7	41.6	46.8
Improved training and retraining opportunities	(n=80)	13.8	50.0	36.3
Merger/amalgamation protections and protocols	(n=77)	18.2	27.3	54.5
Cost-of-living adjustments	(n=81)	11.1	29.6	59.3
Guarantees of minimum levels of employment	(n=77)	5.2	37.7	57.1
Control or regulate workloads	(n=79)	7.6	53.2	39.2
Technological change protections	(n=78)	14.1	42.3	43.6
Labour adjustment provisions	(n=74)	6.8	47.3	45.9
Better severance pay provisions	(n=79)	12.7	35.4	51.9
Regulate working hours/shift schedules	(n=81)	14.8	48.1	37.0
Access to financial information	(n=79)	13.9	35.4	50.6
Regulate the pace and the nature of workplace change	(n=78)	6.4	43.6	50.0
Health and safety improvements	(n=80)	12.5	46.3	41.3
Increase worker control and responsibility	(n=79)	7.6	35.4	57.0
Policy on harassment	(n=79)	16.5	36.7	46.8
Employment equity policies	(n=77)	14.3	31.2	54.5
Family related leaves	(n=77)	14.3	39.0	46.8
Restriction on overtime	(n=76)	7.9	23.7	68.4
Flex time	(n=77)	11.7	33.8	54.5
Child care facilities	(n=75)	5.3	10.7	84.0

n=number of respondents

out-sourcing, advanced notice of organizational change, consultation mechanisms on change, improved training and retraining opportunities, the control or regulation of workloads, family related leaves and policies on harassment, a majority of respondents reported modest to high success.

Conclusion

The results of the HRDC survey highlighted in this paper clearly point to a difficult environment for labour organizations in Canada today. Key elements include economic uncertainty, employer attitudes and behaviour and rising membership expectations. This is generally true for all the unions surveyed but the pressures appear to be particularly acute in the public sector, notably as regards managerial strategies which emphasize downsizing and the use of contingent employees.

In response to this more difficult environment, Canadian unions are pursuing defensive and pro-active strategies. Both the adversity of the external environment and internal membership expectations seem to compel union leaderships to emphasize the traditional defensive functions of union representation: the protection of current wages and benefits, lay-off protections and improved pension and early retirement provisions. At the same time, however, there is considerable evidence of the pursuit of more pro-active strategies in new areas of endeavour.

Unions are notably seeking to encourage rank and file activism, promoting new employment opportunities and worker participation in decision-making. Larger unions, in particular, are also pursuing a broader social agenda involving political action to change public policy, organizing new groups of members, building coalitions with other unions and social groups, and developing alliance with unions in other countries.

While these broader overall organizational priorities are reflected in a number of new bargaining objectives, for example an increased union role in workplace decision-making and improved training and retraining opportunities, the unions surveyed have achieved a higher degree of success on many of the traditional bargaining objectives than they have on some of the newer items on the agenda. That is not to suggest, however, that they have not achieved some degree of success on many of these new items.

The virtual strategic challenge for Canadian unions, therefore, would appear to be finding the appropriate balance between such defensive and pro-active strategies. Defensive strategies are a necessary but often insufficient response to the changing environment. Pro-active strategies are clearly central to the continuing renewal of labour organizations in Canada and their ability to respond to this new environment on behalf of their members. While such pro-active strategies promise to break new ground, they also risk greater resistance from both the external environment and from within the unions themselves.

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*Nathalie O'Neil
Senior International Labour Affairs Officer
International Labour Affairs
Strategic Policy and Partnerships
Labour Program, Human Resources Development Canada*

This past June, the International Labour Organization (ILO) held the 86th Session of its annual International Labour Conference (ILC). As in previous years, Canada sent a delegation composed of representatives of governments, labour and business, each assigned to different conference committees that reported to the Plenary. Attendance at this year's conference was a record-high, 3,500 delegates.

The Honourable Lawrence MacAulay, Canada's Minister of Labour, attended the 1998 ILO Conference and delivered a statement in Plenary. Except for the year 1991, it had been almost ten years since a federal Minister of Labour was present at such a Conference. There were a number of key issues that were being discussed this year at the ILC and the presence of the Minister indicated Canada's strong commitment to these issues and to the ILO mandate and objectives.

The ILO holds annual conferences which provide an international forum for discussion of world labour and social problems. This year, the committee discussions focused on four issues: an ILO Declaration on Fundamental Principles and Rights at Work, the development of new international standards on the Elimination of the Worst Forms of Child Labour, the development of an international instrument on Contract Labour and a recommendation on General Conditions to Stimulate Job Creation in Small and Medium-Sized Enterprises. Other committees met during the ILC to discuss Application of Standards and Resolutions - one was adopted on youth employment.

During his address in Plenary on June 10, Minister MacAulay indicated Canadian support for many ILO initiatives but made specific references to

the Declaration and the proposed instruments on child labour. He also made it clear that Canada continues to be a strong supporter of the mandate, values and goals of the ILO.

Background

Founded in 1919 under the Treaty of Versailles, as part of the League of Nations, the ILO became, in 1946, the first specialized agency of the United Nations (UN). Canada has been a member of the ILO since its beginning. Today, the ILO has over 170 member States, representing industrialized and developing countries as well as countries in transition (former Eastern Bloc countries).

The ILO is unique in its tripartite structure and thus provides the only UN body where government, worker and employer representatives can meet on an equal footing to discuss problems of common interest in the area of labour affairs and decide about the future of the Organization.

The mandate and objectives of the ILO, as set out in its constitution, are peace and social justice through improving the conditions of labour and strengthening human rights in the labour field. A current major concern is to foster an equitable sharing of the fruits of globalization, in other words, to ensure that economic growth is not achieved at the expense of working people. The ILO is responsible for setting international labour standards, taking the form of Conventions (legally binding instruments once ratified) and/or Recommendations, which provide member States with specific policy guidelines.

Declaration on Fundamental Principles and Rights at Work

As mentioned in Minister MacAulay's statement, Canada was particularly interested in the adoption of an ILO Declaration on Fundamental Principles and Rights at Work as well as in the development of new international standards on the elimination of the worst forms of child labour.

On June 18, 1998 the ILC adopted a Declaration on Fundamental Principles and Rights at Work. The purpose of the Declaration is to clarify the nature and the extent of the obligations contained in the ILO Constitution which member States are bound to uphold by virtue of their membership. An accompanying follow-up procedure will allow the ILO to examine the extent to which members adhere to their constitutional commitments. This will also enable the ILO to better direct technical support for the promotion of core labour standards to those countries that are willing to implement these fundamental rights.

The fundamental labour rights are: freedom of association and the right to organize and to bargain collectively; abolition of forced labour; abolition of child labour; and the principle of non-discrimination in employment.

The discussions for the adoption of such a Declaration began in 1994 as part of a complex task to review the relevance of the ILO's standard-setting activities. The adoption of the Declaration and follow-up procedure, together with other improvements currently being initiated by the ILO in the standard-setting and standards implementation process, will help enhance the international credibility of the ILO. The Declaration package should serve as a promotional instrument to increase transparency and accountability on adherence by member States to workers' fundamental rights.

During the World Summit on Social Development, Copenhagen 1995, the ILO was identified by participants as a key player in the promotion of core labour standards worldwide. As well, at the first Ministerial Conference of the World Trade Organization in Singapore in December 1996, the Ministers of Trade issued a Statement in which, while

agreeing that the comparative trade advantage of countries, particularly low-wage developing countries, was not in question, they renewed their commitment to the observance of internationally recognized core labour standards and recognized that the ILO was the competent body to deal with these standards.

The onus was then on the ILO to show its credibility as a key player on the social dimensions of globalization, by promoting and strengthening the supervisory mechanism on core labour standards. This provided a critical window of opportunity for the ILO as well as for countries like Canada who supported strong action on core labour standards in the ILO.

During the November 1997 ILO Governing Body meeting, Canada played an important role in securing the inclusion on the agenda of the 1998 June Conference an item concerning the adoption of a Declaration. In the past 12 months, Canada also worked hard to bring together various regions for informal consultations. As Chair of the IMEC group (Industrialized Market-Economy Countries), Canada continued to play an important role during the Committee discussions in ensuring that the text was not weakened.

There were important divisions during the Committee discussions. Some worried that the Declaration would create new legal obligations on member States or that it was part of disguised attempts to bring back linkages between trade sanctions and labour standards. There was, however, support for efforts to increase voluntary ratifications of Conventions, in particular through increased technical cooperation. Canada played a key role as Chair of the Committee.

In the next few months, the ILO and member States will need to look at the Declaration and its follow-up mechanism and decide on the best practical methods for its implementation. Canada intends to continue playing a lead role on that issue. The text of the Declaration follows:

ILO Declaration on Fundamental Principles and Rights at Work

Whereas the ILO was founded in the conviction that social justice is essential to universal and lasting peace;

Whereas economic growth is essential but not sufficient to ensure equity, social progress and the eradication of poverty, confirming the need for the ILO to promote strong social policies, justice and democratic institutions;

Whereas the ILO should, now more than ever, draw upon all its standard-setting, technical cooperation and research resources in all its areas of competence, in particular employment, vocational training and working conditions, to ensure that, in the context of a global strategy for economic and social development, economic and social policies are mutually reinforcing components in order to create broad-based sustainable development;

Whereas the ILO should give special attention to the problems of persons with special social needs, particularly the unemployed and migrant workers, and mobilize and encourage international, regional and national efforts aimed at resolving their problems, and promote effective policies aimed at job creation;

Whereas, in seeking to maintain the link between social progress and economic growth, the guarantee of fundamental principles and rights at work is of particular significance in that it enables the persons concerned to claim freely and on the basis of equality of opportunity their fair share of the wealth which they have helped to generate, and to achieve fully their human potential;

Whereas the ILO is the constitutionally mandated international organization and the competent body to set and deal with international labour standards, and enjoys universal support and acknowledgment in promoting fundamental rights at work as the expression of its constitutional principles;

Whereas it is urgent, in a situation of growing economic interdependence, to reaffirm the immutable nature of the fundamental principles and rights embodied in the Constitution of the Organization and to promote their universal application;

The International Labour Conference,

1. Recalls:

- (a) that in freely joining the ILO, all Members have endorsed the principles and rights set out in its Constitution and in the Declaration of Philadelphia, and have undertaken to work towards attaining the overall objectives of the Organization to the best of their resources and fully in line with their specific circumstances;
- (b) that these principles and rights have been expressed and developed in the form of specific rights and obligations in Conventions recognized as fundamental both inside and outside the Organization.

2. Declares that all Members, even if they have not ratified the Conventions in question, have an obligation arising from the very fact of membership in the Organization, to respect, to promote and

— continued —

to realize, in good faith and in accordance with the Constitution, the principles concerning the fundamental rights which are the subject of those Conventions, namely:

- (a) freedom of association and the effective recognition of the right to collective bargaining;
 - (b) the elimination of all forms of forced or compulsory labour;
 - (c) the effective abolition of child labour; and
 - (d) the elimination of discrimination in respect of employment and occupation.
3. Recognizes the obligation on the Organization to assist its Members, in response to their established and expressed needs, in order to attain these objectives by making full use of its constitutional, operational and budgetary resources, including by the mobilization of external resources and support, as well as by encouraging other international organizations with which the ILO has established relations, pursuant to article 12 of its Constitution, to support these efforts:
- (a) by offering technical cooperation and advisory services to promote the ratification and implementation of the fundamental Conventions;
 - (b) by assisting those Members not yet in a position to ratify some or all of these Conventions in their efforts to respect, to promote and to realize the principles concerning fundamental rights which are the subject of those Conventions; and
 - (c) by helping the Members in their efforts to create a climate for economic and social development.
4. Decides that, to give full effect to this Declaration, a promotional follow-up, which is meaningful and effective, shall be implemented in accordance with the measures specified in the annex hereto, which shall be considered as an integral part of this Declaration.
5. Stresses that labour standards should not be used for protectionist trade purposes, and that nothing in this Declaration and its follow-up shall be invoked or otherwise used for such purposes; in addition, the comparative advantage of any country should in no way be called into question by this Declaration and its follow-up.

Child Labour

Another of the key items on the Conference agenda was child labour. Something special had been organized at the Conference to give even more importance to the issue to be discussed. On June 2, after the official opening of the 86th Session of the ILC, Conference delegates were witness to an important event in the Hall of Assembly: 150 children and adults involved in the Global March Against Child Labour marched into the room to ask for the end of child labour and talk about their experiences. People started marching in all parts of the world in early 1998 and met in Geneva at the end of May.

More than 350 major organizations spread across 82 countries were involved in this initiative which included non governmental organizations, trade unions, employers' organizations and associations in defence of children's rights.

The purpose of the March was to "mobilize worldwide efforts to protect and promote the rights of children, especially the right to a free and meaningful education and to be free from economic exploitation and free from performing work that is likely to be damaging to the child's physical, mental, spiritual, moral or social development".

Meeting with the marchers at the beginning of the Conference gave many delegates in the Committee on Child Labour more determination to look for global solutions to extreme forms of child labour.

As part of its campaign against child labour, the ILO has proposed the adoption of new international legal instruments to eliminate the worst forms of child labour. The first discussion on a proposed Convention and Recommendation on child labour took place in June.

The proposed instruments are being negotiated following the ILO's "double discussion procedure" under which it will appear on the agenda of the ILC both in June 1998 and in June 1999, most probably for adoption.

Child labour is widespread. In a 1996 report entitled, "Child Labour: Targeting the Intolerable", the ILO estimates that 250 million children between the ages of five and 14 are working in developing countries. This is nearly double previous estimates reported by the ILO. Some 61 per cent of child workers, or nearly 153 million are found in Asia; 32 per cent, or 80 million are in Africa; and seven per cent, or 17.5 million of the children live in Latin America.

Child labour is not a problem in developing countries only. It also exists in wealthier countries. There are no accurate data on the number of children in Canada who work. However, Canada is working with provincial and territorial counterparts as well as labour, business and community groups to develop a more complete picture of the situation.

As stated in the above-mentioned ILO report, child labour remains a serious problem in the world today. Public awareness and concern on this issue is also growing. Much credit must go to the ILO, which, from its beginning, has been active in the fight against child labour. Its Constitution includes "protection of children" among its principles. Initially, the ILO's was mostly focused on the development of international standards but in the 1970's it started placing more emphasis on other methods – in-country empirical research, global public awareness campaigns, compilation and dissemination of data, and technical assistance to member States.

With an even more focused approach in mind, for the purpose of the proposed instruments, the worst forms of child labour will include: bonded work or slavery,

the sale and trafficking of children, use of children for prostitution, pornography, or for the production of or trafficking of drugs or other illegal activities, and in any type of work that can jeopardize their health, safety or morals.

There is, worldwide, broad support from governments and, employers' and workers' organizations for the adoption of these new standards. Canada has indicated, at an early stage, strong support for the key objectives of this initiative. Canada supports the development of a Convention which will be truly effective and meaningful; therefore simple, focused and sufficiently general that it can be universally ratified and implemented.

Canada played an important role in an IMEC-Child Labour group which allowed for a number of Canada's proposed amendments to be submitted on behalf of the IMEC group for greater impact. A number of key issues will need to be further discussed next year: the inclusion, in the definition of worst forms of child labour, of any work that would preclude access to basic education, the use of children in combat, and the role of and consultations with non-governmental organizations.

Even though there was disagreement on a number of issues, it is important to note the high degree of willingness to work together that was demonstrated by the delegates, whether labour, business or government representatives. Many delegations had indicated to the ILO during the general discussions (in contrast to the article by article discussion) their wish to collaborate on this important issue. As mentioned earlier, delegates were moved when the children and adults involved in the Global March Against Child Labour came to the ILC. The messages given by the marchers were very compelling. It certainly gave the Canadian delegation even more of an incentive to ensure that utmost efforts are made to come to a solid agreement.

Canada looks forward to discussing the outcome of this first discussion with its partners in Canada and across the world. During the course of this year, the Labour Program will continue consultations on this issue to prepare Canada's position for the second and final discussion in June 1999.

Additional information concerning the ILO can be obtained by consulting their website at "www.ilo.org".

THE NEWEST LEADERS IN EMPLOYMENT EQUITY: THE REPUBLIC OF IRELAND AND SOUTH AFRICA

Kim Oliver

Workplace Equity Policy, Strategic Policy and Partnerships
Labour Program, Human Resources Development Canada

Introduction

The growing number of countries who have enacted or are in the process of developing equal opportunities legislation provides testimony to the undeniable fact that employment equity is on the rise. Why the ground-swell of support for legislative provisions the likes of which have been in effect here in Canada for well over ten years?

Perhaps this development is a response to the ongoing efforts of various social movements such as those targetting women's rights, disability advocacy and racial equality. Maybe support for employment equity measures comes from a growing sensitivity to the phenomena of migration and shifting political boundaries – both of which have ramifications on the composition of the available labour force. Most likely, though, support for equal opportunities legislation, signifies Government's recognition of the economic advantages of a diverse workforce.

Like Canada, other countries are developing employment equity legislation in response to the need to remain competitive in a rapidly developing global marketplace. With changing demographics and businesses increasingly working on a global scale, accommodating diversity is not just a question of political correctness or public image, but of business necessity as well.

Extreme inequalities in the labour force – what's the impact?

The economy can be directly affected in terms of:

- lower national output;
- labour market inefficiencies;
- higher inflation and
- excessive welfare costs.

With the globalization of trade, countries are increasingly coming to acknowledge the importance of "workforce productivity and competitive efficiency at the enterprise, national and international level".¹ As such, employment equity legislation, which has as one of its goals, the cultivation of an under-exploited segment of the labour force, is often promoted on the basis of economics, rather than social justice or the righting of past wrongs.

Given the importance of employment equity legislation, the purpose of this paper is to provide an overview of two of the most recent, and perhaps more topical, pieces of legislation. Most recently, the Republic of Ireland and South Africa have taken the lead in the area of employment equity. What's so unique and groundbreaking about these two pieces of legislation?

Ireland's newly enacted *Employment Equality Act, 1998* is significant in that it sets a groundbreaking precedent for discriminatory grounds. Building on previous legislation, the *Act* adds additional grounds to the existing protection against discrimination on the basis of sex and marital status. This legislation is among the most comprehensive in the world and its successful implementation stands to fundamentally change the composition of the Irish labour force.

The importance of South Africa's *Employment Equality Bill, 1997* lies in the promise that it holds for redressing the consequences of the legacy of apartheid – an undertaking which is enormous in its scope. South Africa is a leader in its own right simply by virtue of the fact that its legislation addresses discrimination against a majority population. If equality provisions are successfully implemented, approximately three-quarters of the available South African labour force stand to make significant gains in employment.

¹ Jain, Harish (1998). *Public Policy and Employment Equity/Diversity Programmes in Selected Countries*. Available as an electronic text file with Internet address: <http://www.irg.co.za/bwmsec11.htm>.

What follows is a brief examination of two pieces of legislation which are breaking new ground and raising the standards for employment equity.

1. IRELAND'S EMPLOYMENT EQUALITY ACT, 1998: Strengthening and Expanding the Infrastructure for Equality

Exactly how ground-breaking is this piece of legislation?

"It has been suggested that the equality code as articulated in Ireland's *Employment Equality Act* is the most comprehensive in the European Union, and is likely to serve as a model for future legislative initiatives in the U.K. and elsewhere".²

Background

Ireland's parliamentary democracy has been led by Fianna Fail, the Republican Party, for over 50 of the last 72 years. When Fianna Fail took office in 1993, their term was one characterized by considerable achievements – noteworthy among which was the development of comprehensive anti-discrimination legislation.

While employment equity measures have been entrenched in Irish law for over twenty years, the development of a comprehensive equality infrastructure which goes beyond the boundaries of discrimination in the labour force is a relatively new phenomenon. In 1996, the Partnership 2000 Agreement³ secured Government commitment to the development of a strategy which would enhance equality of opportunity and counter discrimination in both employment and non-employment areas.

The broad-ranging equality infrastructure envisioned within the Partnership 2000 Agreement is based on two pieces of proposed legislation: the *Employment Equality Bill, 1997* and the *Equal Status Bill, 1997*. Employment equality and equal status legislation were initially conceived of as separate yet complementary measures which, when taken together as a whole, would provide extensive protection against

discrimination. Each measure represents one half of the Government's two-pronged strategy to combat discrimination. The *Employment Equality Bill, 1997* prohibits discrimination in employment and training while the *Equal Status Bill, 1997* addresses discrimination in the provision of goods and services.

What do the *Employment Equality Bill, 1997* and the *Equal Status Bill, 1997* have in common?

They both provide protection against discrimination for the same designated groups.

The roots of present employment equity legislation in Ireland can be traced back to 1977 when the first *Employment Equality Act* came into force. While the 1977 Act did recognize and prohibit both "direct" and "indirect" forms of discrimination, it was, nonetheless, quite limited in its scope and herein lay one of its greatest weaknesses. The legislation banned discrimination solely on the grounds of sex or marital status in the workplace, thereby providing protection for only a select number of target groups.

The demographics of Irish society were changing, however, and new legislation was developed in response to the shifting needs of Ireland's increasingly diverse labour force. In 1997, the new *Employment Equality Bill* acknowledged the breadth of diversity in Ireland by extending anti-discrimination provisions to include seven additional discriminatory grounds: race, membership of the Traveller community, disability, family status, religious belief, age and sexual orientation.

An increase in the number of asylum seekers arriving in Ireland, the recognition of the nation's small indigenous black population and the increasing numbers of European, African, Asian and Middle-Eastern residents led to the inclusion of **race** as a discriminatory ground under the 1997 *Bill*.

While **Travellers** are a very small minority group in Ireland – they constitute less than one per cent of the population – the extent of the discrimination which they

² "Employment Equality Bill bars discrimination on nine grounds." *European Industrial Relations Review*. October, 1996.

³ The Partnership 2000 Agreement is a national strategy which identifies key priorities for Ireland in view of the approaching 21st Century. The need for greater equality of opportunity and enhanced social inclusion is highlighted.

experience is severe. From segregated social work services, Health Board clinics and classrooms, to an inability to penetrate the labour market, the Travelling population is marginalized and excluded from virtually all of the institutions and structures of Irish society. The decision of Irish Travellers to align themselves with the struggles of nomadic and indigenous peoples everywhere led to the publicizing of their situation and consequently, their inclusion in the discriminatory grounds of the new legislation.

What is the Traveller Community?

Travellers are a small indigenous minority who have been part of Irish society for centuries. Their long shared history, value system, language, customs and traditions make them a group which is recognized by themselves and others as distinct. Their unique lifestyle and culture, based on a nomadic tradition, sets them apart from the sedentary population or "settled people". While Irish Travellers are native to Ireland, they have much in common with European Travellers and Gypsies.

Persons with disabilities are another group who, prior to 1997, had no specific legislative provisions protecting their right to training and employment. While a voluntary quota for employment of three per cent has existed in the public service since 1977, the target has been widely under-filled by the vast majority of government departments and semi-state bodies. In 1993, only 1.98 per cent of Government department employees were disabled workers⁴ and it is estimated that as of June 1997, the unemployment rate for persons with disabilities was as high as 80 per cent.⁵ Consequently, legislated provisions to include persons with disabilities under the 1997 *Bill* have the potential to greatly improve the employment situation of persons with disabilities in Ireland.

The growth in the employment of married women, the much publicized problems between the Protestants and the Catholics in Northern Ireland, the growing recognition of the potential productivity of older workers and the increasing visibility of the gay rights movement are all factors which provided impetus for the extension of anti-discrimination provisions to include **family status, religious belief, age and sexual orientation**.

In addition to the extension of the 1977 *Act's* discriminatory grounds, the major feature of the new *Bill* was its recognition of harassment and sexual harassment in the workplace. As a result, the *Bill* was heralded by women's rights organizations as a significant piece of labour legislation. Unions also welcomed the *Bill*, but the equality office of the Irish Congress of Trade Unions indicated that much more remains to be done to improve rates of pay.

The Supreme Court Challenge

In April of 1997, then-President of Ireland, Mary Robinson, referred the *Employment Equality Bill* to the Supreme Court to test its constitutionality. Four sections of the *Bill* were being challenged and in May of that same year the Supreme Court came back with a ruling that three of the four were "repugnant". The section which was deemed to be within the Constitution was an exemption to the legislation, allowing religious institutions to discriminate to preserve their "ethos". Sections deemed unconstitutional were those of "vicarious liability",⁶ and the creation of the offences of obstructing, impeding, or failing to comply with the requirements of the Labour Court, the Equality Director or an equality officer.

Of particular importance is the third section which was found by the Supreme Court to be unconstitutional. The provisions of the *Bill* dealing with disability were well received, with the exception of the section requiring that employers make specified arrangements for persons with disabilities – a requirement which is similar to the "duty to accommodate" found in the

⁴ Lundt, Neil and Patricia Thornton (1993). *Employment Policies for Disabled People: A review of legislation and services in fifteen countries*. Social Policy Research Unit, Employment Department: University of York.

⁵ Houses of the Oireachtas (1998). "Employment Equity Bill, 1997: Order for Second Stage." Available as an electronic text file with Internet address: <http://www.irlgov.ie/debates/s12feb98/sect2.htm>

⁶ The "vicarious liability" provision would have amounted to an employer being deemed liable for any discriminatory offences carried out by an employee. The court concluded that to render an employer liable to potentially severe criminal sanctions in circumstances which were so unjust, irrational and inappropriate would make any purported trial of such a person not one held in due course of the law.

Canadian federal *Employment Equity Act*. It was submitted that employers were required to bear what could be significant costs involved in providing facilities for employees with disabilities without payment of compensation by the State and this constituted an unjust attack on their property rights. While the Supreme Court upheld this challenge, subsequent changes to the *Bill* allowed for the retention of the disability ground in the *Bill*.

Following the Supreme Court decision, a general election was held and in June 1997, the Fianna Fail returned to office in coalition with the Progressive Democrats. When the new Government took office, the Minister for Justice, Equality and Law Reform gave priority within the equality agenda to examining the constitutional issues raised in the Supreme Court judgment and returned the *Bill*, properly amended, to the Oireachtas (the Irish Parliament). On June 19, 1998, the revised *Employment Equality Bill* was signed into law.

Purpose and Scope of the *Employment Equality Act, 1998*

Ireland's *Employment Equality Act, 1998* which was signed into law on July 18, 1998, effectively repeals and replaces all preceding anti-discrimination legislation in the realm of employment – the *Anti-Discrimination (Pay) Act, 1974* and the *Employment Equality Act, 1977*.

The 1998 *Act* covers employees in both the public and the private sectors as well as applicants for employment and training. With the inclusion of additional discriminatory grounds, and the widening of the *Act*'s general scope to include protections against harassment and sexual harassment, and the adoption of equal pay provisions formerly contained in the *Anti-Discrimination (Pay) Act*, the new legislation is raising the bar for all future equity initiatives.

Under the *Employment Equality Act, 1998*, discrimination is defined as follows: "the treatment of one person in a less favourable way than another person is, has been or would be treated". Based on this broad definition, the *Act* prohibits discrimination on nine distinct grounds:

Age – the *Act* provides protection for anyone between the ages of 18 and 64;

Disability – in contrast to the legislation of other nations, such as the United Kingdom, who adopt a function-based definition of disability,⁷ the Irish *Act* uses a medically-based definition – the purpose of which is to protect as wide a group as possible;

Family Status – covers employees with childcare responsibilities and for the first time, provides employees with protection against discrimination on the grounds of eldercare responsibilities;

Marital Status – includes singles, married, separated and divorced or widowed employees;

Sexual Orientation – this is a deliberately vague section – sexual comparators are termed C and D, thereby denoting that there are more than two sexual orientations;

Religious Belief – for the purposes of the legislation, this includes religious background or outlook but does not extend to "political opinion";

Gender – covers women in the labour force;

Membership of the Travelling community – provides special protection for the largest and most significant visible minority group in Ireland and

Race – includes the small but growing population of visible minority groups such as immigrants of African, Asian and Caribbean origin.

The *Employment Equality Act* outlaws discrimination on any of the aforementioned discriminatory grounds in all areas relevant to employment as follows:

Discrimination by employers – with regard to access to employment, conditions of employment, training and promotion;

Discrimination in collective agreements – with regard to access to and conditions of employment and equal pay for like work;

Discriminatory advertising;

Discrimination by employment agencies – against any person seeking employment or other services of the agency (i.e., career guidance or training);

Discrimination in vocational training;

⁷ The United Kingdom uses a definition of disability which focuses on assessing the effect of an impairment on day-to-day activities.

Discrimination by certain vocational bodies – by trade unions, professional and trade associations with regard to membership and other benefits.

A major achievement of the *Employment Equality Act* is that it defines sexual harassment for the first time in Irish Law.⁸

The *Act* also specifically prohibits both harassment and sexual harassment not only in the workplace and in the course of employment by an employer, but also by other employees, clients, customers or business contacts of an employer. The provisions also provide that different treatment of a person in the workplace because of rejection or acceptance of harassment or sexual harassment constitutes discrimination on the gender ground.

Another important aspect of the legislation is that it greatly extends the scope for positive action. Previous Irish legislation, like its United Kingdom counterpart, only allowed for positive action in respect of training and encouraging applications from under-represented groups. The new provision is a significant advancement in that it allows all forms of positive action, including preferential treatment at the point of selection, provided that this is not operated as a quota system.

While positive action measures have traditionally focused on removing existing inequalities which affect women's opportunities, the *1998 Act* also allows for positive action specifically geared towards the integration into employment of people over the age of 50, people with disabilities, and members of the Traveller community.

With regard to pay equity, the *Act* includes an "equal pay for work of equal value" provision – an entitlement which is established from the date of coming into force of the legislation.

Exemptions to the *Act*: With the widening of the discriminatory grounds under the *Employment Equality Act, 1998*, comes the lengthening of the related list of exemptions. Exclusions from the scope of the *Act* are permitted on the following grounds:

Gender Grounds – where sex amounts to an occupational qualification (e.g. an artist's model); or where services of a personal nature are performed (e.g. the care of an elderly person in that person's home); or where special beneficial treatment of women connected with pregnancy and adoption is called for;

Age Grounds – existing retirement ages will continue to apply and there is a provision to phase out age-related pay over a three-year period and it will not be unlawful to set maximum recruitment age limits which take account of the cost or period of time involved in training for the job and the need for a reasonable period of employment in the job prior to retirement;

Disability Grounds – an employer must do all that is reasonable to accommodate the needs of a person with a disability, unless the employer can show that there is a cost to him/her other than a nominal cost;⁹ and different treatment based on sound actuarial advice remains lawful; and

Non-Gender Grounds (exemptions generally) – requirements as to residency, citizenship and proficiency in the Irish language; posts where the presence or absence of a particular characteristic related to a discriminatory ground is an occupational qualification; or discrimination by religious bodies, educational and medical institutions run by religious bodies, or by bodies whose objectives include the provision of services in an environment which promotes certain religious values, where it gives more favourable treatment on the religion ground in order to maintain the religious ethos of the institution.¹⁰

⁸ Under the *Employment Equality Act, 1997*, Sexual harassment is defined to include all unwelcome and sexually, or otherwise on the gender ground, offensive, humiliating or intimidating actions involving acts of physical intimacy, spoken words, gestures, or the production, display or circulation of written material or pictures, or requests for sexual favours.

⁹ Following the May 1997 Supreme Court decision which found the accommodation provision to be repugnant, changes were made to the Bill to allow for retention of the disability ground. This exemption is a product of the changes.

¹⁰ In May, 1997, the constitutionality of the exemption concerning discrimination by religious bodies was tested by the Supreme Court and was deemed to be constitutional. The Chief Justice stated that the section represented a "reasonable balance between the principle of equality before the law, on the one hand, and the principle of the free profession and practice of religion on the other". This decision was made in spite of strong opposition from Teachers for Pluralism in Education (TPE) – a group which was established to campaign against the Bill. TPE argued that the Bill represented a major setback for the employment and civil rights of teachers, nurses and others who work in religious-run institutions.

Monitoring, Enforcement and Compliance

In 1977, Ireland's Employment Equality Agency was established with the mandate of monitoring compliance with the provisions of the first *Employment Equality Act*. However, new legislation envisages a wider role for this agency. Under the *1998 Act*, the Employment Equality Agency will be replaced in early 1999 by the "Equality Authority".

The new Authority will maintain responsibility for monitoring the legislation, along with further measures to be proposed in the *Equal Status Bill*, dealing with discrimination in the provision of services to the public. Its mandate will also be broadened to include new powers to prepare legally-recognized Codes of Practice and to undertake Equality Reviews and Action Plans for business.

The Equality Authority will invite businesses to either carry out an equality review or implement an equality action plan – both of which are seen as a midway point between voluntary persuasion and formal investigation. The equality review is an audit to determine whether practices, procedures or other factors are conducive to the promotion of equality of opportunity in employment for a specific business. A plan of action will generally be prepared by the employer unless he or she does not accept the invitation to carry out his or her own equality review – in which case, the Authority will be empowered itself to carry out the review and prepare an equality plan.¹¹

The *1998 Act* makes additional provisions for the creation of the statutory office of Director of Equality Investigations. The office will be established within the Department of Justice, Equality and Law Reform and the Director, together with the equality officers and equality mediation officers, will operate as the main locus for redress under the *Act*. All claims under the *Act*, save those involving dismissal and gender discrimination,¹² must be referred in the first instance to the Director. Following investigation, the Director will issue a binding decision, enforceable through the Circuit Court.

The Director's powers are broad with investigatory powers that extend to entering premises in pursuit of information, interviewing persons with relevant information, and the securing of documentary evidence. Where he or she finds that there has been discrimination, financial compensation may be ordered. Alternatively, the Director, or an equality officer assigned to the case, may refer the case for mediation, if it appears possible to resolve it that way. The Director, on application, is also empowered to identify the provisions of a collective agreement which are null and void and offer guidance as to alternative provisions that would be lawful.

Criticism of the Act

Criticism has been leveled at the Supreme Court Ruling to uphold the constitutionality of the exemption of religious-run institutions from the anti-discrimination legislation. It has been suggested that the decision to permit discrimination against an employee where it is "reasonably necessary" to prevent that employee from "undermining" an institution's religious ethos, might serve to create a two-tier system whereby workers in both the public and private sector would enjoy protection against discrimination, while those in the church-run professions – teaching, nursing and childcare – would be vulnerable to "sectarianism and bigotry".¹³

Current Status

The *Employment Equality Act* was signed by the President of Ireland on June 18, 1998, and is expected to come into force within the next twelve months.

It is worth noting that the Minister of State for Justice, Equality and Law Reform has indicated that a new *Disabilities Bill* is currently being drafted which will extend the rights of persons with disabilities to seek legal redress when they encounter discrimination. The Minister argues that a *Disabilities Bill*, together with the *Employment Equality Act, 1998*, "will provide a

¹¹ This power does not apply in relation to any business with less than 50 employees. Note that unlike the formal investigation provision of the U.K. discrimination legislation and the similar existing powers of the Irish Employment Equality Agency, the Equality Authority will not need to have any reasonable belief that unlawful discrimination is being practised in order to invite or embark upon its own equality review nor is there any need for a finding of discrimination before an action plan can be enforced.

¹² A dismissal case may be referred in the first instance to the Labour Court for determination while, as an alternative to the general redress procedures, a person who considers that he or she has been discriminated against on the gender ground may apply directly to the Circuit Court for redress.

¹³ Pollack, Andy. "Sacked teacher condemns anti-discrimination Bill." *The Irish Times*: Friday, February 7, 1997.

strong legislative framework to support the rights of persons with disabilities now and into the 21st Century".¹⁴

2. SOUTH AFRICAN EMPLOYMENT EQUITY BILL, 1997: Dismantling a Linchpin of the Apartheid Regime

What role did labour market policies play in sustaining the apartheid regime?

A key component of apartheid's mechanism of social, economic and political control was the manipulation of the labour market in a manner which privileged the White minority while disadvantaging and discriminating against the Black majority.

Background

Unlike Ireland whose history of equal opportunities legislation can be traced back to 1974, legislation preventing discrimination in South African workplaces is a fairly recent development. As a result of monumental changes to the structure of the South African Government in the early to mid 1990's, the legal landscape is shifting to reflect the principle of greater equality for all citizens, regardless of race, sex or disability.

South Africa's Government of National Unity is a constitutionally-defined multi-party Government which came into existence following South Africa's first democratic elections in April, 1994. Prior to these elections, the African National Congress (ANC) made

a promise to implement employment equity and today's Black-majority government, led by former ANC President Nelson Mandela, continues to profess its commitment to that pledge.

Building on the *Constitution of the Republic of South Africa*¹⁵ which was adopted in 1996, and in fulfillment of the nation's obligations in terms of various international instruments,¹⁶ the *Employment Equity Bill* was tabled by the Minister of Labour on December 11, 1997.

On January 22, 1998, the *Bill* was tabled in the Labour Market Chamber of the National Economic Development and Labour Council (Nedlac)¹⁷ for negotiations. Four months later, Nedlac released its final report supporting the *Employment Equity Bill* subject to amendments and certain reservations voiced by labour.

As such, the debate surrounding employment equity, is still quite new to South Africa but the stakes in this nation, "88 per cent non-white and hardly practiced in anti-discrimination law",¹⁸ make it critically important that this experiment succeed. For women, persons with disabilities, and the Black and Coloured majority, the legislation is crucial given the structural and self-reinforcing nature of labour market discrimination in South Africa.

In the post-apartheid era, South Africa emerged with a legacy of legislated racial discrimination. As a matter of political policy, groups or individuals, defined by race, were routinely discriminated against in their access to opportunities and resources. Occupational segregation, inequalities in pay, lack of access to

¹⁴ Department of Justice, Equality and Law Reform Press Release (1997). "Employment Equality Bill, 1997."

¹⁵ The *Constitution* is a predecessor to legislated employment equity in that it recognizes that measures to ensure freedom from discrimination are necessary to remedy the pervasive inequalities which define South African society. Section 9 of the *South African Bill of Rights* reads as follows:

"Equality includes the full and equal enjoyment of all rights and freedoms. To promote the achievement of equality, legislative and other measures designed to protect or advance persons, or categories of persons, disadvantaged by unfair discrimination may be taken".

¹⁶ In 1997, South Africa ratified ILO Convention No. 111 - Discrimination in Employment and Occupation as a means of demonstrating its commitment to the principle of equality in employment. Other international instruments which will be met through the employment equity legislation are: the ILO's International Convention on the Elimination of All Forms of Racial Discrimination; the ILO's Convention on the Elimination of All forms of Discrimination Against Women; and the U.N. Declaration on the rights of Disabled Persons.

¹⁷ Launched in 1995, Nedlac draws on multilateral decision-making and consultation with labour, government, business and the community in developing or reviewing policies. Nedlac's founding document says that it shall be a "representative and consensus-seeking body where the parties...will seek to reach agreement through negotiation and discussion based on proper mandates".

¹⁸ Daley, Suzanne. "Affirmative Action in South Africa an Issue of Survival." *The Globe and Mail*: Friday, October 31, 1997.

training and development opportunities, and high levels of unemployment – this is the legacy that South Africa's disadvantaged populations are attempting to overcome.

How pronounced are labour market inequalities in South Africa?

Whereas South Africa is not a poor country by international standards, it is infamous for having the most unequal distribution of income in the world. The bottom 20 per cent of income earners account for a mere 1.5 per cent of national income, while the wealthiest 10 per cent of households receive approximately 50 per cent of national income.

Poverty is not uncommon in South Africa but it is overwhelmingly concentrated in the African and Coloured population with 95 per cent of the poor being Africans and 65 per cent of Africans being poor.¹⁹ As a result, poverty and inequality in South Africa "prove worse than in most Third World Countries at a similar level of productivity".²⁰

The Department of Labour's 1996 Green Paper on Employment and Occupational Equity outlines the enormous disparities which exist within the South African labour market. The paper shows that Black people, specifically Black women, are subject to intense discrimination in the workplace. In 1994, when the Mandela Government came into power, approximately half of the nation's Black women were unemployed, compared to a quarter of Black men and less than five percent of Whites. African females accounted for 20 per cent of employees, but their unemployment rate stood at 50 per cent.

The Green Paper indicates that Whites are generally heavily over-represented in the professional and management occupational category, and virtually none

are elementary workers. White women predominate in secretarial work while Black men are over-represented among shop-floor workers and Black women are heavily unemployed.

It should be noted, however, that those Africans who have penetrated the labour market have generally been concentrated at the lower end of the skills spectrum and tend to be relegated to the mining and construction sectors. While Africans now constitute approximately two-thirds of the total employees of the public service, they occupy a mere 31 per cent of management positions. In 1996, African people represented 76 per cent of South Africa's population, yet they accounted for fewer than five per cent of managers across the entire economy. In fact, from 1992 to 1996, the number of black senior managers increased by only 0.4 per cent.²¹

The Green Paper also paints a skewed picture with regard to levels of income. In 1994, close to one in three African employees earned less than R500 a month, compared to less than one in twenty Whites. Disparities emerged even within occupational categories with only half of Black people in top management earning more than R2000 a month, compared to three quarters of Whites.

Discrimination in the workplace is not, however, based solely on sex, and race. Persons with disabilities are also subject to discriminatory treatment. Estimates suggest that five to 12 per cent of the South African population are moderately to severely disabled, and only 20 per cent of persons with disabilities are economically active, with the vast majority dependent upon social pensions and family support.

It is therefore, these populations – Black people,²² women and persons with disabilities – towards whom South Africa's employment equity initiative is directed, and it is exactly this which serves to set South Africa

¹⁹ Department of Labour (1998). "Employment Equity Bill." Available as an electronic text file with Internet address: <http://www.polity.org.za/govdocs/bills/1997/equity.html>

²⁰ Department of Labour (1996). "Green Paper: Policy Proposals for a New Employment and Occupations Equity Statute." Available as an electronic text file with Internet address: <http://www.gcis.gov.za/gov/labour/docs/equity.htm#CH2>

²¹ Department of Labour (1998). "Employment Equity Bill." Available as an electronic text file with Internet address: <http://www.polity.org.za/govdocs/bills/1997/equity.html>.

²² "Black people" is a generic term which for the purposes of the Bill means Africans, Coloureds and Indians.

apart from other nations. The essential difference between South Africa and other countries with employment equity legislation is that unlike nations such as Canada, the United States and Ireland, the South African government is not targeting its efforts at a minority of the general population. In South Africa, the persons from designated groups constitute a majority of the population. In 1996, African people alone accounted for 76 per cent of South Africa's population and close to 72 per cent of the nation's labour force.²³

Did you know?

With the exception of Malaysia, South Africa is the only country to address discrimination against a *majority* of the population.

Therefore, when viewed in the context of pure numbers, the scope of the South Africa's *Employment Equity Bill* is enormous. If the provisions are successfully implemented, the legislation has the potential to transform the workplace into a more equitable environment – a development which will benefit more than three quarters of the population.

It should be noted, however, that since its inception in the 1996 Green Paper, employment equity has been conceived of as one part of a much broader strategy being pursued by the South African Government to reduce inequalities while supporting productivity and economic growth. The *Employment Equity Bill*, along with the *Constitution*, the *Labour Relations Act, 1995*, and the *Basic Conditions of Employment Act, 1997* strive to institutionalize modern, democratic and equitable employment practices in both the public and private sectors.

Employment equity in South Africa is part of a broad strategy: Inequalities in race, gender and disability are not entirely attributable to discrimination in employment. The labour market does not exist in a vacuum and consequently, the after-effects of apartheid will not be rectified through the enactment of workplace diversity measures alone. Employment equity is but one component of broader policy proposals to deal with unequal access to land, assets, finance, human resource development, broken families, education and training.

Purpose and Scope of the *Employment Equity Bill, 1997*

The purpose of the *Act*, as stated in the *Employment Equity Bill, 1997* is to "achieve equality in the workplace by:

- a) promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination; and
- b) implementing positive measures to redress the disadvantages in employment experienced by black people, women and people with disabilities, in order to ensure their equitable representation in all occupational categories and levels in the workforce."²⁴

The two-fold purpose of the *Act* is significant in that it is indicative of the government's recognition that racist legislation must not only be removed but, more importantly, the effects of that legislation must be actively redressed through affirmative action measures.

From procedures in respect of recruitment, advertising and selection, to policies guiding the working environment, training and disciplinary action, the *Employment Equity Bill* prohibits unfair discrimination in employment. Perhaps most importantly though, the

²³ Standing, Guy, John Sender and John Weeks (1996). *Restructuring the labour market: The South African Challenge: An ILO Country Review*. International Labour Office: Geneva.

²⁴ Department of Labour (1998). "*Employment Equity Bill*." Available as an electronic text file with Internet address: <http://www.polity.org.za/govdocs/bills/1997/equity.html>

Bill also prescribes that it will not be unfair for employers to discriminate for the purposes of affirmative action. Affirmative action is defined as additional steps which must be taken in order for those who have been historically disadvantaged to be able to derive full benefit from an equitable employment environment.²⁵

Not unlike Ireland's *Employment Equality Act*, South Africa's Bill also makes provisions for employers to implement positive measures to promote a diverse and representative workforce. This must, however, be achieved in a manner which does not put in place "absolute barriers" to the employment or advancement prospects of any individual. The approach taken by the *Bill* is to encourage designated employers to adopt employment practices which will ensure that suitably qualified members of designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels. Employers will achieve this through:

- the identification and elimination of employment barriers, including unfair discrimination, which adversely affect people from designated groups;
- the implementation of measures designed to further diversity in the workplace based on the equal dignity and respect of all people;
- making reasonable accommodation of people from designated groups;
- giving preferential treatment, to appoint and promote suitable qualified people from designated groups; and
- implementing measures to retain, train and develop people from designated groups.

The *Employment Equity Bill* recognizes the disparities in employment, occupation and income which exist within the national labour market as a result of apartheid and other discriminatory laws and practices and it seeks to redress the disadvantages experienced by those who have historically suffered the most severe forms of unfair discrimination and exclusion from employment: Black people, women and persons with disabilities.

In terms of designated employers, the scope of the *Bill* is similar to both Irish and Canadian legislation in that it applies to both the public sector and all private sector businesses employing 50 or more individuals.²⁶ This threshold was established in order to reduce the administrative burden of conducting audits, reviews and submitting reports for smaller employers. However, during Nedlac negotiations, parties agreed to expand the range of employers covered under the private sector to include those with an annual turnover in line with provisions in the *National Small Business Act*.²⁷ Consequently, those who fall below the 50 employee threshold could still be subject to the legislation. The government plans to encourage all private employers who fall below the threshold to comply with the provisions of the *Act*.

Drawing on Canada's Federal Employment Equity Act: To a large extent, South Africa's *Employment Equity Bill*, emulates its Canadian counterpart. Employment equity measures in both countries share some basic common features, most notably the obligations which are placed on designated employers. The South African Bill acknowledges that "these obligations are similar to those generally found in the similar legislation of other countries (e.g. Canada, Australia)".

Every designated employer will be required to take the following five essential steps towards employment equity:

Prepare a profile of his/her workforce – the employer profiles the workforce in order to determine the degree of under-representation of people from designated groups in various occupational categories and levels;

Review his/her employment policies and practices – the employer must identify employment barriers which adversely affect people from designated groups;

²⁵ Department of Public Service and Administration (1997). "Draft White Paper: Affirmative Action in the Public Service" Available as an electronic text file with Internet address : http://www.polity.org.za/govdocs/white_papers/draftaa.html.

²⁶ Central Statistical Services estimate that the number of companies with 50 or more employees is approximately 10,000 (1997).

²⁷ This would include small businesses which have an annual turnover of more than R4m; the purpose of this amendment is to cover businesses which are more capital intensive.

Prepare and implement an employment equity plan – the employer must prepare and implement an employment equity plan (outlining objectives, positive measures, procedures etc...) which will achieve “reasonable progress” towards employment equity in that employer’s workforce;

Lodge a summary of his/her employment equity plan with the Department of Labour;

Report annually to the Department of Labour on progress in implementation of the plan.

Another important aspect of the *Bill* is that it creates a basis for consultation between employer, employees and trade unions so that parties will set numerical goals and establish measures which are appropriate to their own workplaces. As such, the success of employment equity in different workplaces will depend not on the employer’s ability to meet government-imposed quotas, but rather on whether the employer’s consultation process with his or her employees and their trade unions has been meaningful.

Exemptions to the *Bill*

Members of the National Defence Force, the South African Secret Service and the National Intelligence Agency are all exempted from the legislation “based on the unique functions they perform”.

Furthermore, “reasonable effort” will be a determining factor in deciding whether or not a designated employer has implemented employment equity in compliance with the legislation. Where the employer fails to meet targets but nevertheless demonstrates that he or she made reasonable efforts to increase the representation of designated groups in their workforce, sanctions may be withheld.

Monitoring Enforcement and Compliance

The Department of Labour is responsible for achieving compliance with the proposed legislation. The components within the Department that will administer the legislation are the Directorate for Equal Opportunities and the Labour Inspectorate. The former will guide the policy formation and implementation process, develop Codes of Good Practice, establish

performance indicators and timetables and establish machinery for the collection and collation of data from designated employers. For its part, the Labour Inspectorate will undertake monitoring and enforcement activities and general inspections – functions which closely resemble those of Ireland’s office of the Director of Equality Investigations.

The *Bill* proposes that the conciliation, arbitration and adjudication model of the *Labour Relations Act* be adopted. As such, the *Bill* essentially builds on existing institutions such as the Commission for Conciliation, Mediation and Arbitration (CCMA) and the Labour Court to resolve disputes.

The CCMA will play a central role in both the anti-discrimination and employment equity aspects of the *Bill*. The CCMA’s primary function is to resolve disputes and to assist in the establishment of workplace forums.²⁸ All employment-equity disputes that cannot be resolved in the workplace will be referred to the CCMA.

Final authority rests with the Labour Court which has exclusive jurisdiction to determine any dispute about the interpretation or application of the *Act*. If the Court finds that an employer has unfairly discriminated against any employee, the Court may make any appropriate order from payment of compensation, to directing the employer to take steps to prevent the same unfair discrimination from occurring in the future in respect of other employees. Contravention of any major provision of the *Bill* carries a monetary fine of R500 000 for first time offenders up to a maximum of R900 000 for repeat offenders.

The one new agency which will be created through the proposed legislation is the Commission for Employment Equity (CEE) – a monitoring body whose functions are comparable to those of the Irish Equality Authority. The CEE, with its narrow focus on employment equity issues, is to be established as an advisory council to the Minister of Labour. The Commission’s membership will be representative of major stakeholders in the equity debate, thereby allowing the CEE to give expert advice on policy. The Commission will also be responsible for monitoring progress in attaining employment equity and representation.

²⁸ Workplace forums are established to promote the interests of all employees in the workplace, whether or not they are trade union members; its members are entitled to be consulted by the employer, with a view to reaching consensus and are entitled to participate in joint decision-making.

Criticism of the *Bill*

Much of the criticism that has been levelled at the *Bill* leaves policy-makers in a no-win situation. For example, many suggest that if the pace of change is too slow, it might lead to anger and frustration among non-whites, tipping the country into violence. Yet, on

What is the opposition saying?

Both the National Party and the Democratic Party have denounced the *Bill*, saying that it introduces an age of neo-racism to South Africa because the *Bill* requires employers to account for their workforce by race group.²⁹

the other hand, if affirmative action is implemented too quickly, white South Africans, seeing no future for themselves, might leave the country, thereby causing a brain drain that even Black leaders acknowledge would threaten South Africa's future. Business has warned that the *Bill* seriously underestimates the level of skills available and could lead to a further exodus of skilled staff if they perceive the *Bill* to favour Black advancement.

Furthermore, in spite of wide-spread condemnation of the quota-system, some affirmative action advocates say that the Government is being too soft in not requiring quotas; they point out that interest in the issue seems to depend on the Government's own action in the area, and that business simply reads its signals. Therefore, when Government interest in the issue dies down, in the absence of quotas, the legislation will be largely ineffective.

On the political front, the Democratic Party has expressed reservations, saying that the legislation will impose unrealistic provisions on local governments who cannot afford to comply with the provisions of the *Bill*. The party, with its largely White membership, states that economic growth is the best form of empowerment and the *Bill* does not address the problems of the poor and the unemployed.

Current Status

The *Bill* was passed by Nedlac on the 21 May, 1998 and now sits before Parliament. The process is being

held up by discussions between Business South Africa (BSA) and the Government after BSA implied that Government had reneged on agreements reached in Nedlac on controversial aspects of the *Bill*. Both sides are optimistic that misunderstandings which emerged during the drafting of the *Employment Equity Bill* will be resolved by early August, 1998.

Is it worth noting that, as is the case in Ireland, South Africa is calling for legislation expressly designed to protect the rights of disabled persons in the workplace. It is felt that the provisions of the *Employment Equity Bill*, 1997 on its own will not provide adequate support in the creation of equal employment opportunities for persons with disabilities.

Conclusion

Employment equity initiatives are by nature, contextually bound. Each country has its own socio-political background and agenda which serve as not only the foundation upon which the legislation must be developed, but also the context within which provisions are to be implemented. Given the important advancements which employment equity aims to achieve, it is essential that policy development be grounded in the realities and unique characteristics of each nation's labour market.

This having been said, a fundamental similarity can be drawn, however, between the employment equality provisions in both Ireland and South Africa – each initiative exists as part of a broader strategy of reconstruction and development. The fact that both were developed in conjunction with other pieces of legislation and form part of a larger plan to enhance overall economic and social equality is indicative of the importance being accorded to anti-discrimination endeavors in these countries.

Employment equity legislation is critical to the work forces of Ireland and South Africa because it will help to ensure that the diversity which has long been present in the populations of these countries, will finally be reflected in the composition of their labour forces.

²⁹ Renee Grawitzky. "Employment Equity Deal Within Reach." *Business Day*. March 24, 1998.

SELECTION OF RECENT CHANGES IN CANADIAN LABOUR LAWS

Adopted Bills, Regulations and other Statutory Instruments

Strategic Policy and Partnerships

Labour Program, Human Resources Development Canada

Federal: *An Act to amend the Canada Labour Code (Part 1) and the Corporations and Labour Unions Returns Act and to make consequential amendments to other Acts; Bill C-19 Assented to June 18, 1998*

This Act will come into force, in whole or in part, on a date or dates to be set by the government. It contains numerous amendments, the most important of which are described below.

Administration of the *Canada Labour Code*

The amendments, outlined below, are designed to ensure the efficient administration of the *Code*.

- A representational Canada Industrial Relations Board, composed of a neutral Chairperson and Vice-Chairpersons, and an equal number of members representing employers and employees, will replace the current non-representational Canada Labour Relations Board.
- The Board will be given greater flexibility to deal quickly with routine or urgent matters; for example, the Chairperson or a Vice-Chairperson will be able to determine alone some cases rather than the currently required three-member panel.
- The Board's powers will be clarified or extended to ensure that complex industrial relations issues, such as those arising from the review of bargaining units or sales of business, can be fully addressed, and to provide appropriate remedies in the case of unfair labour practices, such as failure to bargain in good faith.
- The Federal Mediation and Conciliation Service (FMCS) will continue to be part of the Labour Program of Human Resources Development Canada; its role will be defined by statute, and powers of appointment may be delegated by the Minister of Labour to the head of FMCS.

- Grievance arbitrators will be granted a number of procedural powers.

Representation and Successor Rights

A number of amendments are aimed at ensuring that the Board has appropriate remedial powers during the certification process, at ensuring certain employee rights, and at addressing the situation of off-site employees.

- The right of employers to express a personal point of view, so long as they do not use coercion, intimidation, threats, promises or undue influence will be explicitly recognized.
- The Board will be able to remedy a serious unfair labour practice committed by an employer by certifying an applicant trade union, despite lack of evidence of majority support from employees in a bargaining unit, if the Board is of the opinion that, in the absence of the unfair labour practice, the union could reasonably have been expected to have had such support.
- From the time certification is granted to the date on which a first collective agreement is entered into, the employer must not dismiss or discipline an employee in the affected bargaining unit without just cause. Where there is a disagreement between the parties relating to the dismissal or discipline of an employee during that period, the bargaining agent may submit the disagreement to an arbitrator for final settlement as if it were a difference under a collective agreement.
- Successor rights will apply where, as a result of a sale or a change of activity, an undertaking under provincial jurisdiction for labour relations purposes becomes subject to the *Code*.
- An employer succeeding another as the provider of pre-board security screening services to the air transport industry must pay to employees performing those services remuneration not less

than that which the employees of the previous contractor were entitled to receive under the terms of a collective agreement. This requirement may be applied to other services by regulation.

- On application by a trade union, the Board may require an employer to give an authorized representative of the union, or the Board, or both, a list of the names and addresses of employees who normally work in locations other than the employer's, and authorize communications with those employees if the Board believes that such communications are required for purposes relating to soliciting trade union memberships or other specified labour relations purposes. The order must specify the method of communication, the times of day and periods during which it is authorized, and the conditions necessary to protect the privacy and safety of affected employees and to prevent the abusive use of information. In addition, the order may require the employer to transmit, in accordance with any prescribed terms and conditions, the information that the union wishes to communicate to the employees by means of any electronic communications system that the employer uses. If the Board is of the opinion that the privacy and safety of affected employees cannot otherwise be protected, it may provide each employee with the opportunity to refuse that his/her name and address be given to the authorized representative of the union (if the employee does not so refuse, the name and address may be given) or the Board may transmit the information that the union wishes to communicate to them in the manner it considers appropriate.

Voluntary Multi-employer Bargaining and Geographic Certification in the Longshoring Industry

Certain amendments are aimed at making existing bargaining structures more flexible and adaptable to the changing environment.

- Where a voluntary employers' organization has been designated by the Board, the organization will be able to request the inclusion in the designation of an employer who becomes a member of the organization.
- The right of one or more employers active in the longshoring industry, covered by a geographic certification, to apply to the Board to change an

employer representative will be expressly recognized in the *Code*.

- A designated employer representative in the longshoring sector may require all employers active in the port to remit their share of the costs incurred by the employer representative in fulfilling duties and responsibilities under the *Code* and under the terms of the collective agreement.

Collective Bargaining Cycle

Changes to the bargaining cycle are designed to speed up the process, improve flexibility, and encourage earlier settlement of disputes.

- The period during which notice to bargain can be given will be extended to four months prior to the expiry of a collective agreement from the current three months (the agreement may provide for a longer period during which such notice can be given).
- The current two-stage conciliation process will be replaced by a single stage with a choice of procedures (i.e., the appointment of a conciliation officer or commissioner, or the establishment of a conciliation board, or a notification by the Minister of his/her intention not to take any of those actions). The conciliation process will not take more than 60 days, except with the consent of the parties. The parties may declare a strike or lockout 21 days after any conciliation procedure, as mentioned previously, has been completed, provided some other requirements specified in the *Code* have been met.
- A trade union may not declare a strike (or an employers' organization may not declare a lockout) unless it has, within the previous 60 days, or any longer period agreed to by the parties, held a secret ballot strike vote among the employees in the unit (or lockout vote among the employers who are members of the organization) and received the approval of the majority of those who voted. No vote will be required if the other party has already initiated a legal strike or lockout.
- The right to strike or to lock out will also be subject to the giving by the trade union or employer of a strike or lockout notice of at least 72 hours to the other party, with a copy being sent to the Minister. This requirement will not apply if the other party has already initiated a legal strike or lockout. When no strike or lockout occurs on the date indicated

in a notice and the trade union or employer wishes to take such action, a new notice of at least 72 hours will be required, unless the parties agree otherwise in writing.

- The right of the parties to agree to submit a collective bargaining dispute to a person or body for binding settlement, will be expressly recognized in the *Code*.
- Existing provisions dealing with first agreement arbitration will be maintained, but where the Board imposes an agreement, its term will be two years rather than one year.

Rights and Obligations during a Legal Work Stoppage

Amendments are designed to clarify the rights and obligations of the parties during legal strikes and lockouts.

- Employers or persons acting on their behalf will be prohibited from using, for the demonstrated purpose of undermining a trade union's representational capacity rather than the pursuit of legitimate bargaining objectives, the services of persons who were not in the bargaining unit on the date on which notice to bargain was given and were hired or assigned after that date to perform all or part of the duties of an employee in the bargaining unit on strike or locked out. Where the Board determines that this type of unfair labour practice has occurred, it may order the employer to cease using replacement workers for the duration of the dispute.
- There will be a confirmation of the right of employees in a bargaining unit who were on strike or locked out to be reinstated following a legal work stoppage in preference to any persons who were not in the bargaining unit on the date on which notice to bargain was given and were hired or assigned after that date to perform all or part of their duties.
- Where there is a disagreement concerning the dismissal or discipline of an employee in a bargaining unit from the time the parties have acquired the right to strike or to declare a lockout to the date on which a new or revised collective agreement is entered into, the bargaining agent may submit the disagreement for final settlement in accordance with the provisions for the settlement of differences contained in the previous collective agreement.

- Applications for certification or decertification will not be permitted during a legal strike or lockout without the consent of the Board, and persons who were not in the bargaining unit on the date on which notice to bargain was given and were hired or assigned after that date to perform all or part of the duties of the employees on strike or locked out will not be entitled to participate in any representation vote.
- Employees will be entitled to maintain insurance plans and benefit coverage during legal work stoppages, so long as the bargaining agent tenders or attempts to tender to the employer payments or premiums sufficient to continue the plan.

Maintenance of Services

Changes are designed to ensure that work stoppages do not endanger public health or safety, and to maintain grain exports during work stoppages involving port operations.

- During a legal strike or lockout, the parties will be required to maintain certain activities (i.e., supplying services, operating facilities or producing goods) to the extent necessary to prevent an immediate and serious danger to public health or safety.
- Within 15 days after notice to bargain has been given, an employer or a trade union may give notice to the other party of the activities that, in its opinion, must be maintained in the event of a strike or lockout in order to comply with the above requirement and the approximate number of employees in the bargaining unit needed for that purpose. If the parties enter into an agreement on that subject, a copy may be filed with the Board, and it will then have the same effect as an order of the Board. If the employer and the trade union do not reach an agreement, the Board will, on application by either of them no later than 15 days after notice of dispute has been given, make the determinations necessary to ensure the application of the maintenance of activities provisions.
- At any time after notice of dispute has been given, the Minister may refer to the Board any question with respect to the application of the maintenance of activities provisions or with respect to whether an agreement entered into by the parties is sufficient to ensure that those provisions are complied with.

- On application by one of the parties or on referral by the Minister as mentioned above, the Board may issue orders to ensure compliance with the maintenance of activities provisions. On such application or referral during a legal strike or lockout, it may also review, confirm, amend or cancel an agreement between the parties or a determination or order made on the maintenance of activities, and issue any orders considered appropriate.
- Where the Board is satisfied that the level of activity to be continued to prevent an immediate and serious danger to public health or safety renders ineffective the exercise of the right to strike or to lock out, it may, on application by the employer or the trade union, order a binding method of resolving the issues in dispute between the parties.
- While grain handlers and their employers will retain the right to strike or to lock out, in the event of a work stoppage involving an employer in the longshoring or other port-related industry, that employer as well as its employees and their bargaining agent will be required to maintain normal services to grain vessels at licensed terminal and transfer elevators and to ensure their movement in and out of a port.

Amendments to the *Corporations and Labour Unions Returns Act* (CALURA)

Part II of the *Corporations and Labour Unions Returns Act*, relating to the collection and reporting of statistical information on labour unions, will be repealed, and the title of the *Act* will be changed to *Corporations Returns Act*.

Alberta: Announcement of a Minimum Wage Increase

The Alberta Government has announced an increase in the general minimum wage rate from \$5.00 to \$5.90 an hour, to be introduced in three phases. The first increase will take place on October 1, 1998 when the general minimum wage will rise to \$5.40 an hour. It will be followed by another increase to \$5.65 an hour on April 1, 1999, with a final increase to \$5.90 an hour due on October 1, 1999. Also announced was the elimination of the differential in the minimum wage for students under 18 years of age (currently \$0.50 per hour). On October 1, 1998, all workers will be subject to the same minimum wage rate.

Ontario: *Economic Development and Workplace Democracy Act, 1998*; Bill 31 Assented to June 26, 1998

This Act has amended the *Labour Relations Act, 1995*, the *Employment Standards Act* and the *Occupational Health and Safety Act*. It came into force on June 29, 1998, except for a few sections taking effect on August 24, 1998, as indicated in the summary of main changes below.

Amendments to the *Labour Relations Act, 1995*

A new section has been added to provide a process for employers who disagree with a trade union's estimate of the number of individuals in the proposed bargaining unit in an application for certification. If an employer objects, it may submit its estimate of the number of employees in the proposed bargaining unit, and the Ontario Labour Relations Board must then direct that the ballot boxes from the representation vote be sealed unless the employer and union agree otherwise. If the Board determines that the bargaining unit proposed by the union could be appropriate, it must first determine the number of individuals in that unit. If the Board determines that the bargaining unit proposed by the union could not be appropriate, it must first determine the appropriate bargaining unit and then determine the number of individuals in that unit. After those determinations, the Board must determine if the 40 per cent minimum membership requirement for a representation vote has been met. If it has been, the ballots from the representation vote are counted. If it has not been, the ballots from the representation vote are destroyed and the application is dismissed. These provisions are effective August 24, 1998.

Provisions of the *Labour Relations Act, 1995* previously allowed trade unions to be certified in certain circumstances, as a result of a contravention of the *Act* by the employer, despite the results of a representation vote. Also, other provisions allowed the Board to dismiss an application for certification in certain circumstances, as a result of a contravention of the *Act* by a trade union, despite the results of a representation vote. Instead of those remedies, new provisions allow the Board, upon application respectively by a trade union or an interested person, to order another representation vote.

Other amendments apply to non-construction employers. Under the new legislation, a "non-construction employer" is a person who is not engaged in a business in the construction industry or whose only engagement

in such a business is incidental to his/her primary business. A non-construction employer is no longer an employer for the purposes of the sections of the *Act* that provide special labour relations rules for the construction industry. However, those sections continue to apply to non-construction employers if, on August 24, 1998, a construction trade union already represents employees of those employers who are or may be employed in the construction industry. Nevertheless, on the application of a non-construction employer, the Board must declare that a trade union no longer represents the employees of that employer in the construction industry if, on the day the application is made, the non-construction employer does not employ any such employees represented by the union. These provisions are effective August 24, 1998.

A new section of the *Act* relates to project agreements. A project agreement is an agreement relating to a project that modifies applicable provincial agreements. A process is set out by which a proponent of a construction project who believes that the project is economically significant can initiate negotiations with bargaining agents who the proponent lists as potential parties. For the project agreement to be approved, it is necessary to have the support of at least 60 per cent of the bargaining agents who indicate their approval or disapproval within the time period allowed for doing so. If a project agreement is in effect, the applicable provincial agreement, as modified by the project agreement, applies to all work within the jurisdiction of the bargaining agents that were listed as potential parties. No strike by or lockout of employees who perform work covered by the project agreement is allowed.

A number of amendments are also made concerning the procedures of the Board (e.g., the procedure for grievances referred to the Board in the construction industry).

Lastly, a new section provides that if a regulation under the *Canada Labour Code* incorporates by reference all or part of the *Labour Relations Act*, 1995 or a regulation issued under it, the Ontario Labour Relations Board and any person having powers under that Act may exercise powers conferred under the regulation made under that Code.

Amendments to the *Employment Standards Act*

Several changes have been made to the *Employment Standards Act* in order to achieve the transfer to the

Ontario Labour Relations Board of the responsibility to hear reviews of decisions by Employment Standards Officers. This role was held by referees and adjudicators nominated under the *Employment Standards Act*. The Ontario Labour Relations Board is also taking over some of the administrative responsibilities of the Director of Employment Standards, for example the acceptance of requests for review. The Ontario Labour Relations Board will be able to refer issues to labour relations officers to achieve settlements. A modification enables the Ontario Labour Relations Board and persons in power under the *Employment Standards Act* to exercise powers under the *Canada Labour Code* when regulations under the *Code* incorporate Ontario employment standards provisions and such provincial officials are empowered under the federal regulations. Other changes provide that, the Director, with the approval of the Minister of Labour, will determine the interest rate and the manner of calculating interest. Previously, interest was to be prescribed by regulation.

Amendments to the *Occupational Health and Safety Act*

Adjudicators are no longer appointed under the *Occupational Health and Safety Act*. Their duties and powers are now carried out and exercised by the Ontario Labour Relations Board.

An amendment now provides that when there is an appeal from an order of an inspector, the Board may authorize a labour relations officer to inquire into the appeal, and he/she then attempts to effect a settlement of the matters that have been raised.

Another amendment to the *Occupational Health and Safety Act* has given the Ontario Labour Relations Board and persons with powers under that act or the *Smoking in the Workplace Act* the capacity to accept certain delegations under federal legislation.

Quebec: Increase in the Minimum Wage

On June 29, 1998, the Quebec Minister of Labour announced that, effective October 1, 1998, the general minimum wage will increase from \$6.80 to \$6.90 per hour, and the hourly rate payable to employees who usually receive gratuities will increase from \$6.05 to \$6.15. Effective on the same date, the minimum wage payable to domestic workers who reside in their employer's home will increase from \$264 to \$271 for a standard workweek of 49 hours.

YESTERDAY AND TOMORROW

Labour Day: The Last Long Weekend of the Summer?

*Antonio Bakopoulos, Student
Labour Standards Policy and Legislation
Labour Standards and Workplace Equity Division, Operations
Labour Program, Human Resources Development Canada*

The origins of Labour Day in Canada date back more than a century. As far back as April 15, 1872, the first recorded celebration of a “Labour Day” occurred at Queen’s Park in Toronto as 10,000 people gathered to listen to speeches of labour leaders. Two thousand unionists took part in parades and demonstrations.

Later that same year, on September 5, 1872, members of seven unions in our nation’s capital organized a parade which ended at the then Prime Minister’s home, Sir John A. MacDonald. A cornered PM promised legislative changes.

It was not until the idea caught on in New York City that Labour Day became widespread in North America. It was on May 8, 1882, that the founder and general secretary of the United Brotherhood of Carpenters, Peter J. McGuire, proposed to the New York City Labour Union to set aside the first Monday of every September as a day of honour for the working class. Mr. McGuire received inspiration from the demonstrations that were held by Canadian trade unionists.

The first celebration of Labour Day in the United States was held on September 5, 1882, a Tuesday. In a very impressive demonstration of solidarity, over 30,000 workers filled the streets of New York to demand an eight-hour work day.

In 1888, a resolution was passed by the Trades and Labour Congress of Canada (TLC) calling for Labour Day to become a legal holiday. Similar resolutions were adopted in 1892 and 1893 and finally, on

July 23, 1894, with constant pressure being applied by the TLC, the Federal government gave legislative support to the recognition of Labour Day as an official, statutory holiday.

Many of us now take Labour Day for granted. I admit that I have, until recently. It is an opportunity to take a last summer holiday, head for the country to close the cottage for winter before getting the children ready for school. We pass this weekend without a thought to what went before – especially to the efforts of others and, in some cases, the sacrifices of others, seeking recognition of the role of workers in society.

From the efforts of Canadian labourers and their brethren across the borders, numerous changes have been forged. Our nation has passed laws concerning old age pensions, the right to organize and bargain collectively, workers’ compensation, employment insurance, family allowance, health and safety laws and undertaken numerous other initiatives that would not have become a reality without the support of labour.

From its humble beginnings, the labour movement has grown and contributed significantly to the rights enjoyed by Canadians at large. The active participation of the workforce has strengthened our nation and created a healthy social conscience.

Although I cannot fully understand the sacrifices experienced by my predecessors, I take this moment to reflect and to pay tribute to the working men and women who have contributed to a stronger, better Canada.

Information Products and Client Services

Client Services

The Workplace Information Directorate is your source for up-to-date, customized information on industrial relations and collective bargaining.

By meeting your specific research needs, we can assist you in preparing for and supporting the resolution of issues at the bargaining table. We can also help you keep abreast of developments in the industrial relations field through our information service and publications.

Our resources are used by negotiators, researchers, economists, consultants, journalists, teachers and many others. In Canada and abroad, members of the industrial relations community in the private and public sectors regularly call on the Workplace Information Directorate.

Workplace Gazette

A quarterly publication providing data on wage adjustments from major collective bargaining settlements by industry, sector and region; detailed analysis of select provisions in major agreements; comprehensive and in-depth information on innovative workplace practices in Canada resulting from collective bargaining; a quarterly calendar of major collective agreement expiries and reopeners; and, a chronological perspective on work stoppages in Canada. It also features articles or case studies on pertinent industrial relations matters. Annual subscription: Canada, \$125 plus 7% GST (\$133.75); other countries, U.S. \$125.

The Wage Settlements Bulletin

Monthly (12 issues). Provides the most up-to-date information and analysis of major wage developments in collective bargaining in Canada. The Bulletin is a valuable and recognized reference source providing statistical and analytical information illustrated with useful charts and tables on recent wage developments in Canada. The aggregate data and details are published in the following groupings: public and private sectors, regions and jurisdictions, and major industry groups. Annual subscription: Canada, \$200 plus 7% GST (\$214); other countries, U.S. \$200. (Available by fax or by mail).

Collective Bargaining Bulletin

A monthly publication containing timely information based on recently signed major collective agreements in Canada. The publication focuses on summaries of changes to wages and benefits in selected settlements, the status of key negotiations as well as data on work stoppages in Canada. In addition, a listing of formal and up-to-date reports of major settlements is provided and copies are available by calling the Workplace Information Directorate at 1-800-567-6866 or (819)997-3117. Annual subscription: Canada, \$50 plus 7% GST (\$53.50); other countries, U.S. \$50.

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Annual. Includes information on all types of labour organizations in Canada: national and international unions, independent local unions, central labour congresses and certain other union groups. Included for each union are the names of officials, addresses and telephone numbers, membership figures, the titles of publications and the date of conventions. Aggregate statistics on union membership are also included. Bilingual. Canada, \$26.95 plus 7% GST (\$28.84); other countries, U.S. \$26.95.

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Annual. The only authoritative and up-to-date source of comprehensive and detailed information on Canadian innovative workplace practices in major collective agreements. Provides an in-depth analysis of innovative practices together with a breakdown by specific category. Bilingual electronic. Internet: Single Workstation \$29.95, Multiple Workstation \$99.95, Diskette: Single Workstation \$39.95, Multiple Workstation \$119.95.

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Human Resources Development Canada - Labour
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Workplace GAZETTE

An
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Quarterly



Winter 1998

- Developing a Tool to Measure the Impact of Workplace Innovations
- Workplace Change in Canada: Union Perceptions of Impacts, Responses and Support Systems
- Millennium Bug Can Affect Workplace Safety and Health



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Hull, Quebec K1A 0J2

1-800-567-6866 or (819) 997-3117

*Internet: <http://labour.hrdc-drhc.gc.ca/>
E-Mail: wid-imt@hrdc-drhc.gc.ca*

FOREWORD

The Workplace Gazette presents a wide range of collective bargaining information to meet the ever-changing needs of the industrial relations community. Its purpose is to provide a sound base for research in support of the bargaining process.

It includes information and analysis on wage adjustments, collective agreement provisions, innovative workplace practices, work stoppages, upcoming important negotiations, and other related topics.

SECTION 1 includes quarterly/annual data on wage adjustments in major collective agreements, both current and

historical, by public/private sectors, region, jurisdiction, and major industry.

SECTION 2 provides a detailed analysis of selected provisions, those of current interest, found in major collective agreements. Also included is a listing of collective agreement expiries/reopeners, and information on work stoppages in Canada.

SECTION 3 summarizes innovative practices in the workplace resulting from collective bargaining. It also presents articles, case studies, and other recent trends in industrial relations.

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SECTION 1

MAJOR WAGE SETTLEMENTS* – THIRD QUARTER 1998

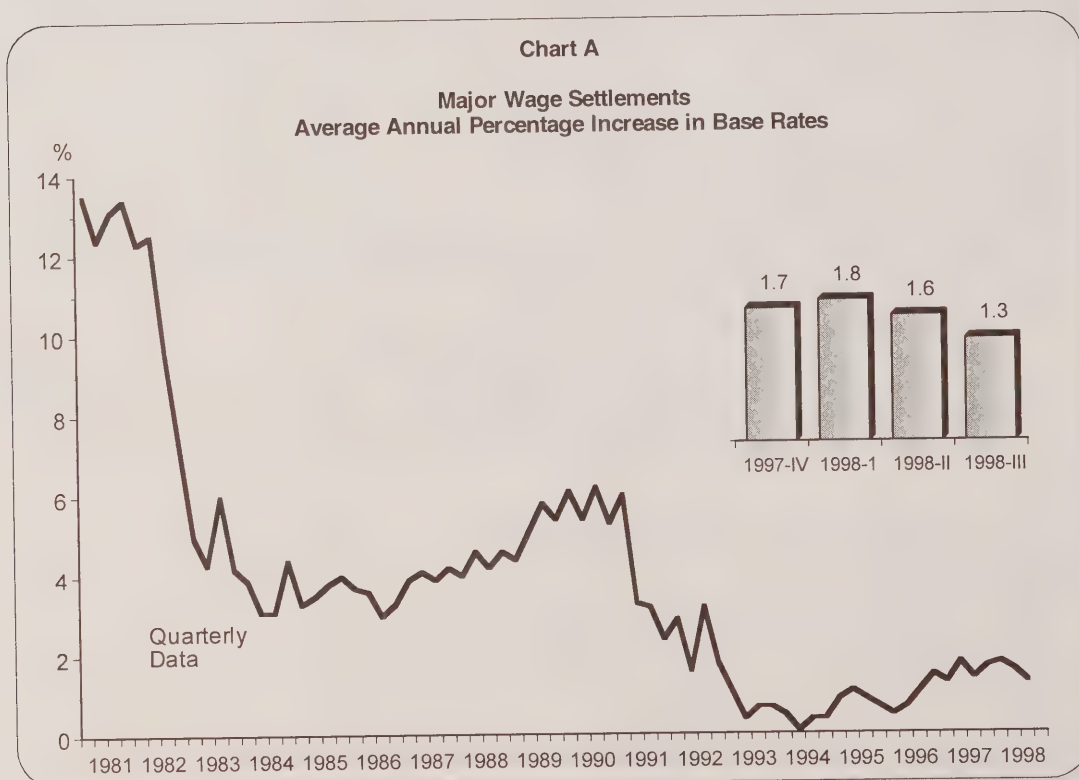
Summary

Major collective bargaining settlements reached in the third quarter of 1998 provided base rate wage adjustments averaging 1.3 per cent annually over the contract-term, down from 1.7 per cent in the first half of 1998, and 1.6 per cent in the year 1997. (See Chart A below). (Wage adjustments from contracts reached in the first three quarters of 1998 averaged 1.5 per cent.)

Wage adjustments in the first contract-year averaged 0.8 per cent, down from the average first-year

adjustment of 1.3 per cent in the first half of 1998, as well as in the year 1997.

The results for the third quarter of 1998 are based on a review of 96 settlements covering 259,250 employees. When the parties to these settlements previously negotiated – with an average contract-duration of close to 34 months – the resulting wage adjustments averaged 0.7 per cent, roughly half the 1.3 per cent gain in their current settlements. Contract-duration in these third-quarter 1998 settlements averaged 36.0 months.



Source: Workplace Information Directorate

* Major settlements are those involving bargaining units of 500 or more employees. All wage rate adjustments over the term of these agreements, including those arising from cost-of-living clauses (COLA), are taken into account. The yield of such COLA clauses is estimated on an assumed 2.0 per cent annual increase in the Consumer Price Index.

The overall level of wage adjustments has risen modestly since reaching a trough in 1994. The rate of increase has moderated slightly in 1998, but the gain has been modestly above the rate of increase in the Consumer Price Index (CPI) which continued to decelerate over that period. In the third quarter of 1998, the CPI rose by 1.0 per cent, compared to the 1.3 per cent average annual wage adjustment from settlements reached in the quarter.

Private-sector wage adjustments yielded an increase of 1.7 per cent in the third quarter of 1998, up from 1.5 per cent in the first half of 1998, but below the 2.1 per cent average for the year 1997. For the first three quarters of 1998 combined, wage adjustments in the private sector averaged 1.6 per cent.

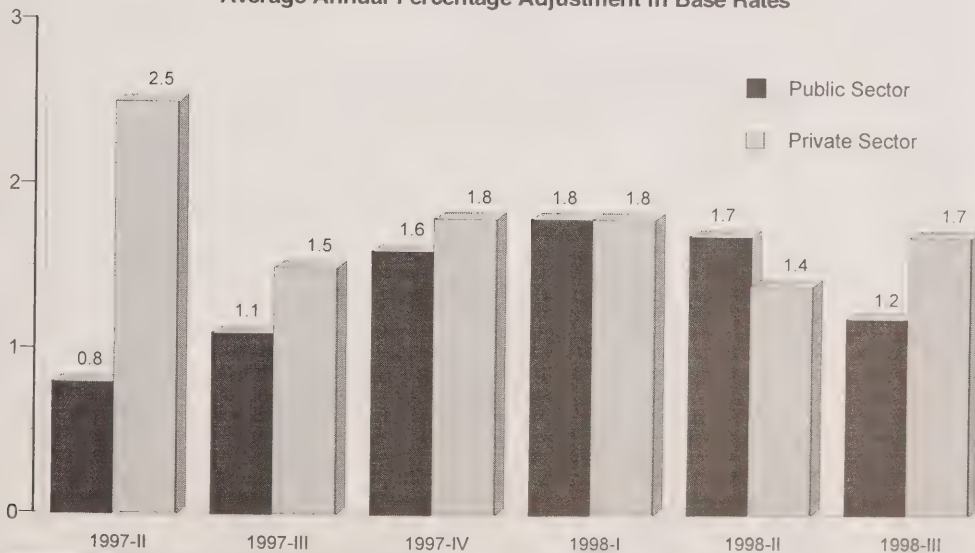
Wage adjustments in the public sector averaged 1.2 per cent in the third quarter of 1998, down from 1.75 per cent in the first half of the year, and the same as the 1.2 per cent average for 1997. The average for

the public sector in the first three quarters of 1998 combined was 1.5 per cent. (See Chart B)

The overall average was dampened by the results from British Columbia at 0.7 per cent; settlements in all other regions/jurisdictions produced average gains higher than the national average of 1.3 per cent as follows: Atlantic Canada, 2.0 per cent; Quebec, 2.4 per cent; Ontario, 2.0 per cent; the Prairie provinces, 1.8 per cent; and the Federal jurisdiction, 1.7 per cent. (See Chart C)

On an industry basis, wage adjustments in the third quarter were equal to the all-industry average of 1.3 per cent in Manufacturing and in Public Administration, less than the all-industries average in Community, Business and Personal Services, at 1.0 per cent; and greater in the Trade sector and Construction, at 2.0 per cent, as well as in Transportation, Communication and Other Utilities, at 1.6 per cent. (See Chart D)

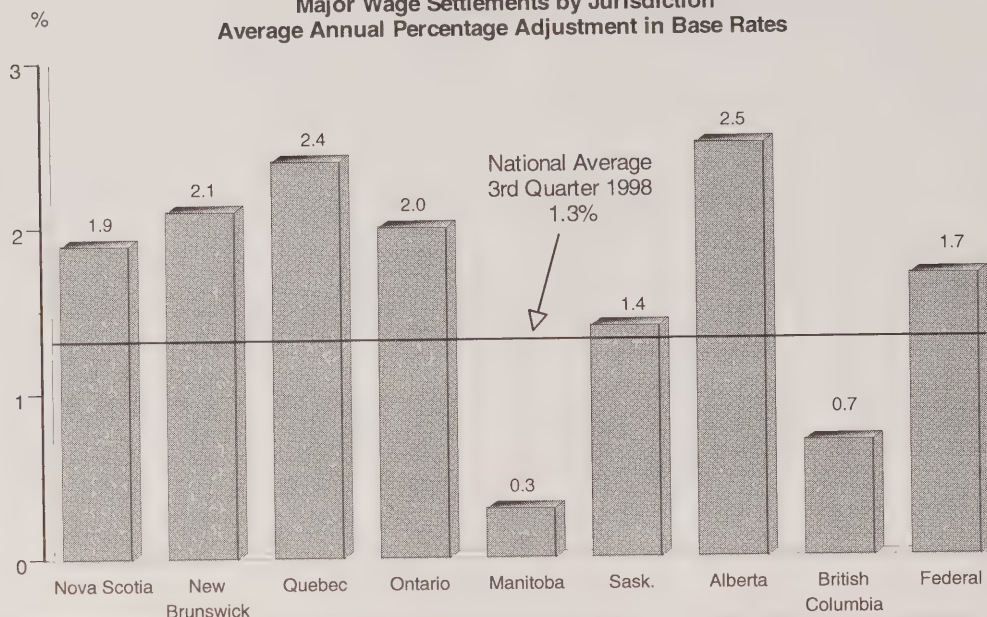
Chart B
Major Wage Settlements – Public and Private Sectors
Average Annual Percentage Adjustment in Base Rates



Source: Workplace Information Directorate

Chart C

Major Wage Settlements by Jurisdiction
Average Annual Percentage Adjustment in Base Rates



Source: Workplace Information Directorate

Chart D

Major Wage Settlements by Industry
Average Annual Percentage Adjustment in Base Rates



Source: Workplace Information Directorate

Distribution by Size of Wage Adjustments

With the modest increase in the overall size of wage adjustments, there has been a corresponding decrease in the incidence of wage freezes and cuts. Employees subject to wage freezes and cuts constituted only 3.4 per cent of all employees in third-quarter 1998 settlements compared to 12.2 per cent in the first half of the year, 18.9 per cent in the year 1997 and approximately 35 per cent in 1996.

Nearly half (45.6 per cent) of all employees in the third-quarter 1998 settlements received increases in the 0.1 to 0.9 per cent range, 26.7 per cent in the 1.0 to 1.9 per cent range, and 18.3 per cent in the 2.0 to 2.9 per cent wage-gain range. Another 6.1 per cent of employees in the third-quarter settlements received wage gains of 3.0 per cent and more. (See Table 1)

Table 1
Distribution of Agreements and Employees
by Size of Wage Adjustments, Third Quarter 1998

Adjustment Range	Agreements		Employees	
	Number	Percentage	Number	Percentage
0.0% and less	11	11.5	8,630	3.4
>0.0% to 0.9%	8	8.3	118,190	45.6
1.0% to 1.9%	26	27.1	69,180	26.7
2.0% to 2.9%	36	37.5	47,420	18.3
3.0% to 3.9%	10	10.4	11,060	4.3
4.0% to 5.9%	4	4.2	3,970	1.5
7.5%	1	1.0	800	0.3
TOTAL	96	100.0	259,250	100.0

Source: Workplace Information Directorate

Public and Private Sectors

The increase in the overall level of wage adjustments has been more apparent in the private sector, where wage adjustments have risen each year from an average of 0.8 per cent in 1993, to 2.1 per cent in 1997. There has been a slight moderation in private-sector adjustments in 1998; third-quarter wage adjustments in the sector averaged 1.7 per cent for 81,890 employees in 49 settlements (and for the three quarters of 1998 combined, the average wage gain was 1.6 per cent).

In the public sector, wage adjustments, which rose from 0.0 per cent in 1994 to 1.2 per cent in 1997, stood at 1.2 per cent also in the third quarter of 1998; the 47 public-sector settlements in the third quarter covered 177,360 employees. (For the first nine months of 1998, the average was 1.5 per cent.)

The largest concentration of public-sector employees in the third-quarter 1998 settlements was in British Columbia, where 117,420 employees received average wage increases of 0.7 per cent annually in 3-year contracts. They included: 42,000 services employees with the Health Employers' Association of British Columbia, 41,400 teachers with the British Columbia Public School Employers' Association, and 31,750 provincial public servants; each group gained 0.7 per cent annual increases.

Another 30,380 public-sector employees in Ontario – mostly municipal and education-sector employees – received wage adjustments averaging 1.9 per cent, while 13,010 federal public-sector employees gained increases averaging 2.0 per cent.

Private-sector employees in settlements in the third quarter of 1998 were concentrated in the Construction sector (37,170 employees with wage increases averaging 2.0 per cent), and in the Transportation, Communications and Other Utilities sector (26,620 private-sector employees with wage gains averaging 1.6 per cent). In the Construction sector, 27,230 employees were in Ontario with wage gains also averaging 2.0 per cent, while 6,040 were in two multiprovincial contracts with wage increases of 1.7 per cent. Within the Transportation, Communication and Other Utilities sector, 25,620 (of the 26,620) private-sector employees were in the Federal jurisdiction, with wage increases averaging 1.6 per cent.

Regions/Jurisdictions

Close to half (46.5 per cent) of all employees in settlements in the third quarter 1998 were in British Columbia; 120,420 employees in 12 settlements in that jurisdiction received wage increases averaging 0.7 per cent. In addition to the 117,420 public-sector employees (with wage increases averaging 0.7 per cent; see Public and Private Sectors), 2,350 pulp and papermill employees in four settlements received increases of 2.0 per cent, and 670 KFCC/Pepsi Co. employees, 1.4 per cent.

In Ontario, 63,110 employees in 36 settlements (24.3 per cent of employees in the third-quarter settlements) received wage adjustments averaging 2.0 per cent. They included: 27,230 Construction-sector employees with wage increases averaging 2.0 per cent; 16,250 Education-sector employees at 1.4 per cent; 7,000 Toronto Police Services Board's employees at 2.9 per cent, and 4,400 Liquor Control Board of Ontario employees at 2.0 per cent.

In the Federal jurisdiction, 38,630 employees in 13 settlements (14.9 per cent of all employees in the third-quarter settlements) gained increases averaging 1.7 per cent. Among them were: 13,010 public-sector employees, at 2.0 per cent (10,010 public servants at an average of 2.2 per cent and 3,000 Canada Post supervisors at 1.5 per cent); 6,200 office and shopcraft employees of Canadian National Railway and 2,830 Canadian Pacific shopcraft employees, at 2.0 per cent; 14,000 Bell Canada office and clerical employees, at 1.1 per cent; 990 Quebec Telephone employees at 3.0 per cent and 950 Nav Canada electronic technicians at 3.3 per cent.

Table 2 sets out information on the distribution of settlements by region/jurisdiction.

Table 2
Major Wage Settlements by Region/Jurisdiction

	Agreements		Employees		Wage Adjustment
	Number	Percentage	Number	Percentage	Average Annual %
Atlantic Canada	8	8.3	7,900	3.0	2.0
Quebec	8	8.3	6,070	2.3	2.4
Ontario	36	37.5	63,110	24.3	2.0
Prairie Provinces	17	17.7	17,060	6.6	1.8
British Columbia	12	12.5	120,440	46.5	0.7
Federal Jurisdiction	13	13.5	38,630	14.9	1.7
More Than One Province	2	2.1	6,040	2.3	1.7
CANADA	96	100.0	259,250	100.0	1.3

Source: Workplace Information Directorate

Major Industry Groups

Largely reflecting the impact of settlements in British Columbia's public sector, settlements for 118,310 employees in the Community, Business and Personal Services sector at an average of 1.0 per cent, except Manufacturing and Public Administration where wage gains were at the all-industry average of 1.3 per cent,

exerted downward pressure on the all-industries average, to equal 1.3 per cent. Average wage gains were larger in other major industry sectors.

Table 3 below summarizes the distribution of settlements by industry.

Table 3¹

Major Wage Settlements by Industry

	Agreements		Employees		Wage Adjustment
	Number	Percentage	Number	Percentage	Average Annual %
Manufacturing	17	17.7	12,430	4.8	1.3
Construction	19	19.8	37,170	14.3	2.0
Transportation, Communication and Other Utilities	10	10.4	30,470	11.8	1.6
Trade and Finance	3	3.1	8,200	3.2	2.0
Community, Business and Personal Services	32	33.3	118,310	45.6	1.0
Public Administration	15	15.6	52,670	20.3	1.3
ALL INDUSTRIES	96	100.0	259,250	100.0	1.3

Source: Workplace Information Directorate

MAJOR SETTLEMENTS REACHED IN THE THIRD QUARTER OF 1998

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY/MM/DD
Manufacturing (17 agreements)	12,430	1.3	-2.7	50.7	
Alcan Smelters and Chemicals Ltd., hourly rated employees, Shawinigan (Que.)	500	0.0	0.0	7	1998-12-31
Aluminerie de Bécancour inc., plant and maintenance employees, Bécancour (Que.)	790	2.7	3.0	36	2000-06-30
Canadian Forest Products Ltd., mill employees, Prince George (B.C.)	550	2.0	0.0	72	2003-04-30
Cartons St-Laurent inc., mill employees, La Tuque (Que.)	550	3.0	3.0	36	2001-08-31
Culinar inc., plant and maintenance employees, Ste-Marie-de-Beauce (Que.)	710	1.9	1.7	48	2001-12-31
Fletcher's Fine Foods Ltd., plant and maintenance employees, Red Deer (Alta.)	680	-6.1	-35.0	72	2004-03-10
Howe Sound Pulp and Paper Limited, mill employees, Port Mellon (B.C.)	500	2.0	0.0	72	2003-04-30
Maple Leaf Foods Inc., plant and maintenance employees, Winnipeg (Man.)	800	-7.0	-45.0	81	2005-12-31
Mitchell's Gourmet Foods, plant and maintenance employees, Saskatoon (Sask.)	1,080	0.0	0.0	56	2003-03-31
National Sea Products Limited, plant and maintenance employees, Lunenburg (N.S.)	500	2.2	2.0	36	2000-12-31
Pacifica Papers Inc., mill employees, Powell River (B.C.)	750	2.0	0.0	72	2003-04-30
Pacifica Papers Inc., Alberni Specialties Division, mill employees, Port Alberni (B.C.)	550	2.0	0.0	72	2003-04-30
Quebec Fashion Apparel Manufacturers' Guild, production employees, province-wide (Que.)	1,460	3.6	4.6	48	2002-05-31
Siemens Electric Limited Automotive Systems (NAMO), plant and maintenance employees, London (Ont.)	900	5.0	6.8	36	2001-07-15
Uniroyal Goodrich Canada Inc., hourly rated employees, Kitchener (Ont.)	900	2.7	3.4	36	2001-05-31
Usine de tissage Magog, division de Dominion textile inc., production employees, Magog (Que.)	550	1.4	1.1	34	2000-12-31
Western Glove Works Ltd., plant and maintenance employees, Winnipeg (Man.)	660	3.4	4.4	44	2001-08-16
Construction (19 agreements)	37,170	2.0	1.4	36.5	
Association of Millwrighting Contractors of Ontario Inc., millwrights, province-wide (Ont.)	2,000	1.7	1.0	36	2001-04-30
Boilermaker Contractors' Association, boilermakers, Canada-wide (excluding Qué., B.C. and Y.T.)	3,540	1.7	1.3	36	2001-06-30
Canadian Automatic Sprinkler Association, plumbers and pipefitters, Canada-wide	2,500	1.7	0.7	36	2001-04-30
Construction Labour Relations Association of Manitoba, labourers, province-wide (Man.)	500	2.3	1.8	36	2001-04-30
Construction Labour Relations Association of Manitoba, plumbers and pipefitters, province-wide (Man.)	1,000	2.1	2.1	36	2001-04-30
Construction Management Bureau Limited, labourers, Mainland (N.S.)	800	1.5	2.3	36	2001-04-30

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Construction (continued)					
Interior Systems Contractors Association of Ontario, drywall employees, province-wide (Ont.)	800	7.5	7.5	12	1999-04-30
Labourers Employer Bargaining Agency, labourers, province-wide (Ont.)	8,000	1.5	0.8	36	2001-04-30
Metropolitan Toronto Demolition Contractors Inc., labourers, province-wide (Ont.)	500	2.5	1.6	36	2001-04-30
National Capital Road Builders Association, labourers, Ottawa (Ont.)	1,500	1.9	2.1	36	2001-04-30
Ontario Concrete and Drain Contractors' Association, labourers, Toronto (Ont.)	670	4.2	5.6	36	2001-04-30
Ontario Erectors Association Inc., iron workers, province-wide (Ont.)	4,000	1.7	1.0	36	2001-04-30
Operating Engineers Employer Bargaining Agency, operating engineers, province-wide (Ont.)	2,500	1.7	1.7	36	2001-04-30
Residential Framing Contractors Association of Metro Toronto and Vicinity, carpenters, Toronto (Ont.)	600	2.8	3.0	36	2001-04-30
Residential Low Rise Forming Contractors' Association of Metro Toronto, labourers, Metropolitan Toronto (Ont.)	960	3.8	5.1	36	2001-04-30
Rodworker Employer Bargaining Agency, rodmen, province-wide (Ont.)	1,500	1.7	1.0	36	2001-04-30
Saint John Construction Association Incorporated, carpenters, Saint John County (N.B.)	1,000	2.6	0.0	60	2003-06-30
Saint John Construction Association Incorporated, carpenters, province-wide (N.B.)	600	2.6	0.0	60	2003-06-30
Terrazzo, Tile and Marble Guild of Ontario Inc., masonry workers, province-wide (Ont.)	4,200	1.8	0.9	36	2001-04-30
Transportation, Communication and Other Utilities (10 agreements)	30,470	1.6	1.2	41.6	
Bell Canada, office and clerical employees, province-wide (Ont.)	14,000	1.1	0.0	48	2002-05-31
Canada Post Corporation, postal officials supervisors, Canada-wide	3,000	1.5	1.5	36	2001-03-31
Canadian National Railway Company, shopcraft employees, system-wide	3,000	2.0	2.0	36	2000-12-31
Canadian National Railways, office and clerical employees, system-wide (excluding Nfld.)	3,200	2.0	2.0	36	2000-12-31
Canadian Pacific Limited, shopcraft employees, system-wide	2,830	2.0	2.0	36	2000-12-31
Council of Marine Carriers, licensed personnel, Coast (B.C.)	650	1.3	1.0	36	2000-09-30
Government of Canada, engineer officers (water transport), Canada-wide	850	2.3	2.5	24	2000-03-31
Nav Canada, electronic technicians, Canada-wide	950	3.3	4.0	36	2000-08-31
Nova Scotia Power Incorporated, utility employees, province-wide (N.S.)	1,000	2.2	3.0	36	2001-03-31
Québec-Téléphone, general tradesmen, technicians, office and clerical employees, province-wide (Que.)	990	3.0	4.8	48	2000-12-31
Trade and Finance (3 agreements)	8,200	2.0	2.1	36.3	
Fortinos Supermarket Limited, retail employees, Hamilton (Ont.)	3,000	1.7	2.0	48	2002-06-11
Les Caisses populaires du Saguenay-Lac-St-Jean, office and clerical employees, Saguenay-Lac-St-Jean Region (Que.)	800	2.8	3.0	60	2003-08-31
Liquor Control Board of Ontario, office and clerical employees, province-wide (Ont.)	4,400	2.0	2.0	24	2000-03-31

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Community, Business and Personal Services (32 agreements)	118,310	1.0	0.8	34.9	
Bluewater District School Board, secondary teachers, Chesley (Ont.)	590	1.0	0.0	24	2000-08-31
Board of Governors of Ryerson Polytechnic University, office and clerical employees, Metropolitan Toronto (Ont.)	530	2.0	1.0	36	2001-06-30
Board of Governors of the University of Windsor, professors, Windsor (Ont.)	640	1.3	2.5	36	2001-06-30
Board of Trustees Edmonton School District No. 7, custodial employees, Edmonton (Alta.)	600	2.5	3.0	24	2000-08-31
Board of Trustees Edmonton School District No. 7, office and clerical employees, Edmonton (Alta.)	1,200	2.5	3.0	24	2000-08-31
Board of Trustees of the Roman Catholic Separate School District No.7, elementary and secondary teachers, Edmonton (Alta.)	1,630	3.8	3.7	24	1999-08-31
British Columbia Public School Employers' Association, elementary and secondary teachers, province-wide (B.C.)	41,400	0.7	0.0	36	2001-06-30
Calgary Regional Health Authority (Foothills Hospital), non-medical employees, Calgary (Alta.)	2,200	3.1	3.2	36	2001-03-31
Calgary Regional Health Authority, non-medical employees, Calgary (Alta.)	900	4.0	6.0	36	2001-03-31
District School Board of Niagara, elementary teachers, St. Catharines (Ont.)	1,500	5.6	11.5	24	2000-08-31
Government of New Brunswick, support employees, province-wide (N.B.)	1,640	1.6	1.5	54	2002-02-28
Health Employers Association of British Columbia, health service employees, province-wide (B.C.)	42,000	0.7	0.0	36	2001-03-31
Inner-Tec Innotech Security Consultants Ltd., security guards, Winnipeg (Man.)	500	2.1	1.6	36	2001-06-30
KFCC/Pepsico Holdings Ltd., food service employees, province-wide (B.C.)	670	1.4	0.0	36	2001-06-30
Lambton Kent District School Board, office and clerical employees, Sarnia (Ont.)	840	0.0	0.0	24	2000-08-31
Med-Chem Laboratories Ltd., health service employees, Metropolitan Toronto (Ont.)	700	0.0	0.0	18	1999-06-30
National Research Council of Canada, scientific and other professionals, Canada-wide	1,100	2.3	2.5	24	1999-07-19
Nova Scotia Association of Health Organizations, health service employees, province-wide (N.S.)	1,500	1.8	1.9	36	2001-03-31
Ontario Council of Regents for Colleges of Applied Arts and Technology, professors, province-wide (Ont.)	6,500	1.7	5.1	35	2001-08-31
Provincial Health Authorities of Alberta, office and clerical employees, province-wide (excluding Calgary) (Alta.)	1,150	3.0	3.0	36	2001-03-31
Red Deer Public School District No. 104, elementary and secondary teachers, Red Deer (Alta.)	510	3.5	3.5	12	1999-08-31
Saskatchewan Institute of Applied Science and Technology, administrative services employees, province-wide (Sask.)	500	2.0	2.0	36	2000-06-30
Saskatchewan Institute of Applied Science and Technology, instructors/tutors/lecturers, province-wide (Sask.)	1,000	2.0	2.0	36	2000-06-30
Simcoe County District School Board, secondary teachers, Midhurst (Ont.)	1,000	0.0	0.0	24	2000-08-31
Société des casinos du Québec inc., casino employees, Montréal (Que.)	710	2.1	2.0	58	2003-03-31
University of Ottawa, professors, Ottawa (Ont.)	850	1.5	1.6	24	2000-04-30
University of Regina and University of Saskatchewan, office and clerical employees, Regina (Sask.)	2,150	1.8	1.0	48	2000-12-31
Upper Grand District School Board, secondary teachers, Guelph (Ont.)	680	0.0	0.0	24	2000-08-31
Waterloo Catholic District School Board, elementary teachers, Kitchener (Ont.)	770	0.7	0.0	24	2000-08-31

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Community, Business and Personal Services (continued)					
Waterloo Region District School Board, plant and maintenance employees, Waterloo (Ont.)	500	0.0	0.0	12	1999-08-31
Waterloo Region District School Board, secondary teachers, Kitchener (Ont.)	1,300	0.0	0.0	24	2000-08-31
Waterloo Region District School Board, support employees, Waterloo (Ont.)	550	0.0	0.0	12	1999-08-31
Public Administration (15 agreements)	52,670	1.3	0.9	31.4	
City of Ottawa, inside and outside employees, Ottawa (Ont.)	1,400	1.2	1.5	36	1999-03-31
City of Richmond, inside employees, Richmond (B.C.)	830	0.7	0.0	36	1999-12-31
City of Thunder Bay, inside and outside employees, Thunder Bay (Ont.)	650	2.2	4.7	36	2000-12-31
City of Vancouver, firefighters, Vancouver (B.C.)	800	0.9	1.0	36	1999-12-31
Corporation of Delta, inside employees, Delta (B.C.)	640	0.7	0.0	36	1999-12-31
Government of British Columbia, all categories, province-wide (B.C.)	30,000	0.7	0.0	36	2001-03-30
Government of British Columbia, scientific and other professionals, province-wide (B.C.)	1,750	0.7	0.0	36	2001-04-04
Government of Canada, auditors, Canada-wide	5,280	2.2	2.5	24	1999-05-04
Government of Canada, finance employees, Canada-wide	1,990	2.2	2.5	24	1999-11-06
Government of Canada, translators, Canada-wide	790	1.5	1.3	24	1999-04-17
Government of New Brunswick, engineering technologists, province-wide (N.B.)	860	2.2	1.6	54	2001-11-30
Hamilton-Wentworth Police Services Board, police officers, Hamilton (Ont.)	680	2.1	2.0	45	1999-12-31
Toronto Police Services Board, office and clerical employees, Metropolitan Toronto (Ont.)	900	2.9	2.9	12	1998-12-31
Toronto Police Services Board, police cadets, Metropolitan Toronto (Ont.)	1,000	2.9	2.9	12	1998-12-31
Toronto Police Services Board, police officers, Metropolitan Toronto (Ont.)	5,100	2.9	2.9	12	1998-12-31
Agreements with COLA (9 agreements)	8,910	2.3	2.1	42.1	
Agreements without COLA (87 agreements)	250,340	1.3	0.8	35.8	
All agreements (96 agreements)	259,250	1.3	0.8	36.0	

Source: Workplace Information Directorate

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* Cost-of-Living Allowance (COLA) formulae are quantified using a combination of the latest relevant Consumer Price Index (CPI) data available and/or a projected CPI increase of 2.0 per cent. Consult the Technical Notes for information on the calculation of the yield from COLA increases, and definitions of the industry and sector divisions used in this publication.

Table A-1

**Effective Wage Adjustment in Base Rates, Number of Agreements and Employees Covered,
by Year and Quarter**

	1995	1996	1997	1997	1998		
				4	1	2	3
All Industries							
Wage Adjustment (%)	0.9	0.9	1.6	1.7	1.8	1.6	1.3
Number of Agreements	403	376	378	92	66	121	96
Number of Employees (000's)	909.3	800.9	697.7	183.8	129.7	264.6	259.3
Private Sector							
Wage Adjustment (%)	1.4	1.8	2.1	1.8	1.8	1.4	1.7
Number of Agreements	187	165	157	30	22	65	49
Number of Employees (000's)	278.4	244.4	322.8	46.5	33.1	105.8	81.9
Public Sector							
Wage Adjustment (%)	0.6	0.5	1.2	1.6	1.8	1.7	1.2
Number of Agreements	216	211	221	62	44	56	47
Number of Employees (000's)	630.9	556.5	374.9	137.3	96.7	158.8	177.4
Federal Administration							
Wage Adjustment (%)	-	0.0	2.8	3.2	2.0	2.0	2.2
Number of Agreements	-	1	2	1	2	2	5
Number of Employees (000's)	-	0.6	13.6	7.6	3.8	3.9	10.0
Federal Crown Corporations							
Wage Adjustment (%)	1.0	0.4	1.4	1.7	-	2.4	1.5
Number of Agreements	12	5	8	3	-	7	1
Number of Employees (000's)	74.6	10.1	65.4	49.0	-	6.8	3.0
Provincial Administration							
Wage Adjustment (%)	0.9	0.2	1.2	1.2	1.8	2.2	0.9
Number of Agreements	29	37	26	17	8	9	5
Number of Employees (000's)	109.2	151.8	44.7	32.5	11.8	51.3	37.7
Local Administration							
Wage Adjustment (%)	0.5	1.1	1.3	1.6	1.1	1.1	2.2
Number of Agreements	28	31	34	7	11	8	9
Number of Employees (000's)	45.1	48.8	43.8	5.7	21.1	11.6	12.0
Education, Health and Welfare							
Wage Adjustment (%)	0.5	0.5	1.0	1.7	2.0	1.4	1.0
Number of Agreements	145	120	147	31	22	30	27
Number of Employees (000's)	399.9	309.7	203.0	40.5	59.1	85.1	114.6
Public Utilities							
Wage Adjustment (%)	0.0	0.9	1.6	1.8	0.7	-	-
Number of Agreements	2	17	4	3	1	-	-
Number of Employees (000's)	2.0	35.4	4.4	2.1	0.9	-	-

Table A-2

**Effective Wage Adjustment in Base Rates, by Effective Period,
Third Quarter 1998**

Sector/ Agreement Duration	Number of Agreements	Number of Employees	First 12 Months	Second 12 Months	Third 12 Months	Fourth 12 Months	Average Annual Adjustment	Average Agreement Duration
		(000's)	(%)	(%)	(%)	(%)	(%)	(Months)
All Industries								
17 Months or Less	8	9.9	2.9	-	-	-	2.9	11.7
18-29 Months	18	26.1	2.4	1.6	-	-	2.0	23.8
30-41 Months	49	189.2	0.8	1.1	1.5	-	1.2	36.0
42 Months or More	21	34.2	-0.8	1.7	1.6	2.2	1.3	52.5
All Agreements	96	259.3	0.8	1.3	1.6	2.2	1.3	36.0
Private Sector								
17 Months or Less	2	1.3	4.6	-	-	-	4.6	10.1
18-29 Months	1	0.7	0.0	0.0	-	-	0.0	18.0
30-41 Months	30	51.8	1.7	2.0	2.2	-	2.0	36.0
42 Months or More	16	28.1	-1.3	1.6	1.6	2.3	1.2	52.8
All Agreements	49	81.9	0.7	1.8	2.0	2.3	1.7	41.2
Public Sector								
17 Months or Less	6	8.6	2.6	-	-	-	2.6	12.0
18-29 Months	17	25.4	2.5	1.7	-	-	2.1	24.0
30-41 Months	19	137.4	0.5	0.8	1.3	-	0.9	36.0
42 Months or More	5	6.0	1.4	2.2	1.9	1.9	1.9	51.3
All Agreements	47	177.4	0.9	1.0	1.3	1.9	1.2	33.6
Federal Administration								
17 Months or Less	-	-	-	-	-	-	-	-
18-29 Months	5	10.0	2.4	2.0	-	-	2.2	24.0
30-41 Months	-	-	-	-	-	-	-	-
42 Months or More	-	-	-	-	-	-	-	-
All Agreements	5	10.0	2.4	2.0	-	-	2.2	24.0
Federal Crown Corporations								
17 Months or Less	-	-	-	-	-	-	-	-
18-29 Months	-	-	-	-	-	-	-	-
30-41 Months	1	3.0	1.5	1.5	1.5	-	1.5	36.0
42 Months or More	-	-	-	-	-	-	-	-
All Agreements	1	3.0	1.5	1.5	1.5	-	1.5	36.0
Provincial Administration								
17 Months or Less	-	-	-	-	-	-	-	-
18-29 Months	1	4.4	2.0	2.0	-	-	2.0	24.0
30-41 Months	2	31.8	0.0	0.0	2.0	-	0.7	36.0
42 Months or More	2	1.6	1.8	3.4	1.7	2.6	2.2	55.8
All Agreements	5	37.7	0.3	0.4	2.0	2.6	0.9	35.4
Local Administration								
17 Months or Less	3	7.0	2.9	-	-	-	2.9	12.0
18-29 Months	-	-	-	-	-	-	-	-
30-41 Months	5	4.3	1.4	0.8	1.1	-	1.1	36.0
42 Months or More	1	0.7	2.0	2.0	2.5	1.2	2.1	45.0
All Agreements	9	12.0	2.3	1.0	1.3	1.2	2.2	22.5
Education, Health and Welfare								
17 Months or Less	3	1.6	1.1	-	-	-	1.1	12.0
18-29 Months	11	11.0	2.7	1.2	-	-	2.0	24.0
30-41 Months	11	98.3	0.6	1.1	1.1	-	0.9	35.9
42 Months or More	2	3.8	1.2	1.8	1.8	1.8	1.7	50.6
All Agreements	27	114.6	0.8	1.1	1.1	1.8	1.0	35.0
Public Utilities								
17 Months or Less	-	-	-	-	-	-	-	-
18-29 Months	-	-	-	-	-	-	-	-
30-41 Months	-	-	-	-	-	-	-	-
42 Months or More	-	-	-	-	-	-	-	-
All Agreements	-	-	-	-	-	-	-	-

Table B-1

**Effective Wage Adjustment in Base Rates, by Major Industry Division,
with and without COLA, by Year and Quarter**

	1995	1996	1997	1997	1998		
				4	1	2	3
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
All Industries							
Agreements without COLA	0.8	0.6	1.6	1.7	1.7	1.5	1.3
Agreements with COLA	1.3	2.7	1.8	1.7	3.0	2.5	2.3
All Agreements	0.9	0.9	1.6	1.7	1.8	1.6	1.3
Primary Industries							
Agreements without COLA	2.5	1.7	1.9	1.2	-	2.8	-
Agreements with COLA	-	1.7	2.0	-	-	-	-
All Agreements	2.5	1.7	1.9	1.2	-	2.8	-
Manufacturing							
Agreements without COLA	2.1	2.8	2.1	1.0	1.8	0.6	0.7
Agreements with COLA	2.3	2.9	2.7	2.2	3.0	2.6	3.1
All Agreements	2.2	2.9	2.3	1.6	2.1	1.2	1.3
Construction							
Agreements without COLA	1.0	0.0	2.5	2.3	1.6	2.1	1.9
Agreements with COLA	1.7	1.2	-	-	-	-	2.6
All Agreements	1.0	0.1	2.5	2.3	1.6	2.1	2.0
Transportation, Communication and Other Utilities							
Agreements without COLA	1.2	0.7	1.7	0.9	1.3	2.1	1.6
Agreements with COLA	0.7	1.9	1.5	1.7	2.6	-	1.5
All Agreements	1.1	0.8	1.6	1.6	1.3	2.1	1.6
Trade; Finance, Insurance and Real Estate							
Agreements without COLA	0.9	0.7	1.7	1.2	1.6	1.1	1.9
Agreements with COLA	-	0.3	1.6	1.8	-	-	2.8
All Agreements	0.9	0.6	1.7	1.4	1.6	1.1	2.0
Community, Business and Personal Services							
Agreements without COLA	0.5	0.6	1.0	1.7	2.0	1.4	1.0
Agreements with COLA	0.6	0.8	1.5	0.6	-	1.4	0.0
All Agreements	0.5	0.6	1.0	1.7	2.0	1.4	1.0
Public Administration							
Agreements without COLA	0.6	0.2	1.5	1.8	1.4	1.7	1.3
Agreements with COLA	1.3	5.0	1.2	1.2	-	-	-
All Agreements	0.7	0.4	1.5	1.8	1.4	1.7	1.3

Table B-2

**Number of Agreements and Employees Covered, by Major Industry Division,
with and without COLA, by Year and Quarter**

	1995		1996		1997	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
	(000's)		(000's)		(000's)	
All Industries						
Agreements without COLA	371	816.2	329	699.0	341	585.2
Agreements with COLA	32	93.1	47	101.9	37	112.5
All Agreements	403	909.3	376	800.9	378	697.7
Primary Industries						
Agreements without COLA	4	3.1	8	7.0	3	2.3
Agreements with COLA	-	-	3	3.5	4	7.7
All Agreements	4	3.1	11	10.5	7	10.0
Manufacturing						
Agreements without COLA	50	41.7	49	34.3	41	49.7
Agreements with COLA	24	30.5	32	77.1	21	22.6
All Agreements	74	72.2	81	111.4	62	72.3
Construction						
Agreements without COLA	67	124.8	11	9.0	31	104.3
Agreements with COLA	2	1.1	2	1.1	-	-
All Agreements	69	125.9	13	10.1	31	104.3
Transportation, Communication and Other Utilities						
Agreements without COLA	40	97.7	62	131.3	27	68.2
Agreements with COLA	3	54.9	5	4.2	5	59.5
All Agreements	43	152.6	67	135.5	32	127.7
Trade; Finance, Insurance and Real Estate						
Agreements without COLA	13	15.4	16	30.8	29	55.9
Agreements with COLA	-	-	1	9.4	4	18.7
All Agreements	13	15.4	17	40.2	33	74.6
Community, Business and Personal Services						
Agreements without COLA	157	416.6	137	338.4	163	227.7
Agreements with COLA	2	1.1	2	1.1	2	3.4
All Agreements	159	417.6	139	339.5	165	231.1
Public Administration						
Agreements without COLA	40	117.0	46	148.2	47	77.2
Agreements with COLA	1	5.5	2	5.5	1	0.6
All Agreements	41	122.5	48	153.7	48	77.8

Table B-2 (continued)

**Number of Agreements and Employees Covered, by Major Industry Division,
with and without COLA, by Year and Quarter**

	1997		1998					
	4		1		2		3	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
	(000's)		(000's)		(000's)		(000's)	
All Industries								
Agreements without COLA	83	124.4	61	125.8	106	250.6	87	250.3
Agreements with COLA	9	59.4	5	4.0	15	14.0	9	8.9
All Agreements	92	183.8	66	129.7	121	264.6	96	259.3
Primary Industries								
Agreements without COLA	1	0.9	-	-	1	0.7	-	-
Agreements with COLA	-	-	-	-	-	-	-	-
All Agreements	1	0.9	-	-	1	0.7	-	-
Manufacturing								
Agreements without COLA	5	3.1	7	8.7	16	30.7	13	9.4
Agreements with COLA	4	3.2	4	3.5	13	12.8	4	3.0
All Agreements	9	6.3	11	12.2	29	43.5	17	12.4
Construction								
Agreements without COLA	10	12.4	1	13.0	15	24.4	17	35.6
Agreements with COLA	-	-	-	-	-	-	2	1.6
All Agreements	10	12.4	1	13.0	15	24.4	19	37.2
Transportation, Communication and Other Utilities								
Agreements without COLA	6	7.5	9	9.2	19	41.6	9	27.5
Agreements with COLA	1	47.9	1	0.5	-	-	1	3.0
All Agreements	7	55.4	10	9.7	19	41.6	10	30.5
Trade; Finance, Insurance and Real Estate								
Agreements without COLA	9	14.5	2	1.6	8	9.4	2	7.4
Agreements with COLA	2	7.2	-	-	-	-	1	0.8
All Agreements	11	21.7	2	1.6	8	9.4	3	8.2
Community, Business and Personal Services								
Agreements without COLA	34	50.0	25	61.0	34	100.8	31	117.8
Agreements with COLA	1	0.5	-	-	2	1.2	1	0.5
All Agreements	35	50.5	25	61.0	36	102.0	32	118.3
Public Administration								
Agreements without COLA	18	36.1	17	32.3	13	43.1	15	52.7
Agreements with COLA	1	0.6	-	-	-	-	-	-
All Agreements	19	36.7	17	32.3	13	43.1	15	52.7

Table B-3

**Effective Wage Adjustment in Base Rates, by Major Industry Division,
by Duration of Agreement, with and without COLA, Third Quarter 1998**

	17 Months or Less			18-29 Months		
	Number of Agreements	Number of Employees	Average Annual Adjustment	Number of Agreements	Number of Employees	Average Annual Adjustment
		(000's)	(%)		(000's)	(%)
All Industries						
Agreements without COLA	7	9.4	3.0	18	26.1	2.0
Agreements with COLA	1	0.5	0.0	-	-	-
All Agreements	8	9.9	2.9	18	26.1	2.0
Primary Industries						
Agreements without COLA	-	-	-	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	-	-	-
Manufacturing						
Agreements without COLA	1	0.5	0.0	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	1	0.5	0.0	-	-	-
Construction						
Agreements without COLA	1	0.8	7.5	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	1	0.8	7.5	-	-	-
Transportation, Communication and Other Utilities						
Agreements without COLA	-	-	-	1	0.9	2.3
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	1	0.9	2.3
Trade; Finance, Insurance and Real Estate						
Agreements without COLA	-	-	-	1	4.4	2.0
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	1	4.4	2.0
Community, Business and Personal Services						
Agreements without COLA	2	1.1	1.7	13	12.8	1.9
Agreements with COLA	1	0.5	0.0	-	-	-
All Agreements	3	1.6	1.1	13	12.8	1.9
Public Administration						
Agreements without COLA	3	7.0	2.9	3	8.1	2.2
Agreements with COLA	-	-	-	-	-	-
All Agreements	3	7.0	2.9	3	8.1	2.2

Table B-3 (continued)

**Effective Wage Adjustment in Base Rates, by Major Industry Division,
by Duration of Agreement, with and without COLA, Third Quarter 1998**

	30-41 Months			42 Months or More		
	Number of Agreements	Number of Employees	Average Annual Adjustment	Number of Agreements	Number of Employees	Average Annual Adjustment
		(000's) †	(%)		(000's)	(%)
All Industries						
Agreements without COLA	45	183.9	1.1	17	31.1	1.2
Agreements with COLA	4	5.3	2.4	4	3.1	2.5
All Agreements	49	189.2	1.2	21	34.2	1.3
Primary Industries						
Agreements without COLA	-	-	-	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	-	-	-
Manufacturing						
Agreements without COLA	3	1.9	2.4	9	7.0	0.3
Agreements with COLA	3	2.3	3.5	1	0.7	1.9
All Agreements	6	4.2	3.0	10	7.7	0.5
Construction						
Agreements without COLA	16	34.8	1.8	-	-	-
Agreements with COLA	-	-	-	2	1.6	2.6
All Agreements	16	34.8	1.8	2	1.6	2.6
Transportation, Communication and Other Utilities						
Agreements without COLA	6	11.6	2.1	2	15.0	1.2
Agreements with COLA	1	3.0	1.5	-	-	-
All Agreements	7	14.6	2.0	2	15.0	1.2
Trade; Finance, Insurance and Real Estate						
Agreements without COLA	-	-	-	1	3.0	1.7
Agreements with COLA	-	-	-	1	0.8	2.8
All Agreements	-	-	-	2	3.8	1.9
Community, Business and Personal Services						
Agreements without COLA	13	99.5	0.9	3	4.5	1.8
Agreements with COLA	-	-	-	-	-	-
All Agreements	13	99.5	0.9	3	4.5	1.8
Public Administration						
Agreements without COLA	7	36.1	0.7	2	1.5	2.1
Agreements with COLA	-	-	-	-	-	-
All Agreements	7	36.1	0.7	2	1.5	2.1

Table B-4

**Effective Wage Adjustment in Base Rates, by Major Industry Division,
with and without COLA, Third Quarter 1998**

	Number of Agreements	Number of Employees	Average Annual Adjustment	First 12 Months	Average Agreement Duration
		(000's)	(%)	(%)	(Months)
All Industries					
Agreements without COLA	87	250.3	1.3	0.8	35.8
Agreements with COLA	9	8.9	2.3	2.1	42.1
All Agreements	96	259.3	1.3	0.8	36.0
Primary Industries					
Agreements without COLA	-	-	-	-	-
Agreements with COLA	-	-	-	-	-
All Agreements	-	-	-	-	-
Manufacturing					
Agreements without COLA	13	9.4	0.7	-4.8	54.5
Agreements with COLA	4	3.0	3.1	3.8	38.8
All Agreements	17	12.4	1.3	-2.7	50.7
Construction					
Agreements without COLA	17	35.6	1.9	1.5	35.5
Agreements with COLA	2	1.6	2.6	0.0	60.0
All Agreements	19	37.2	2.0	1.4	36.5
Transportation, Communication and Other Utilities					
Agreements without COLA	9	27.5	1.6	1.2	42.2
Agreements with COLA	1	3.0	1.5	1.5	36.0
All Agreements	10	30.5	1.6	1.2	41.6
Trade; Finance, Insurance and Real Estate					
Agreements without COLA	2	7.4	1.9	2.0	33.7
Agreements with COLA	1	0.8	2.8	3.0	60.0
All Agreements	3	8.2	2.0	2.1	36.3
Community, Business and Personal Services					
Agreements without COLA	31	117.8	1.0	0.8	35.0
Agreements with COLA	1	0.5	0.0	0.0	12.0
All Agreements	32	118.3	1.0	0.8	34.9
Public Administration					
Agreements without COLA	15	52.7	1.3	0.9	31.4
Agreements with COLA	-	-	-	-	-
All Agreements	15	52.7	1.3	0.9	31.4

Table C-1

Effective Wage Adjustment in Base Rates, by Region/Jurisdiction,
by Year and Quarter

	1995	1996	1997	1997	1998		
				4	1	2	3
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
All Sectors							
CANADA	0.9	0.9	1.6	1.7	1.8	1.6	1.3
<i>Atlantic</i>	0.9	1.8	1.3	1.1	2.2	1.4	2.0
Newfoundland	0.7	2.0	1.7	1.1	1.5	1.1	-
Prince Edward Island	1.7	1.7	-	-	-	2.1	-
Nova Scotia	1.2	1.7	2.0	2.0	2.8	1.9	1.9
New Brunswick	0.9	1.7	1.0	1.0	1.4	1.3	2.1
Quebec	0.8	1.7	2.2	1.6	1.0	0.4	2.4
Ontario	0.9	1.0	1.1	1.1	1.6	1.8	2.0
<i>Prairies</i>	0.3	0.6	2.0	2.2	1.8	2.4	1.8
Manitoba	0.4	0.2	1.1	1.4	2.5	1.3	0.3
Saskatchewan	1.9	1.1	0.9	1.0	1.6	2.0	1.4
Alberta	-0.3	1.0	2.4	2.8	1.8	2.7	2.5
British Columbia	1.2	0.6	1.3	0.9	1.0	0.8	0.7
More Than One Province	1.1	2.3	2.8	3.2	-	-	1.7
Federal	1.0	0.5	1.8	1.9	1.7	2.0	1.7
Public Sector							
CANADA	0.6	0.5	1.2	1.6	1.8	1.7	1.2
<i>Atlantic</i>	0.6	1.4	1.4	1.4	2.2	1.5	1.8
Newfoundland	0.0	0.6	2.1	-	1.4	1.1	-
Prince Edward Island	-	1.7	-	-	-	2.1	-
Nova Scotia	-	-	1.8	1.8	2.9	1.9	1.8
New Brunswick	1.1	1.5	1.3	1.4	1.4	1.5	1.8
Quebec	0.7	1.4	1.2	0.7	1.0	0.7	2.1
Ontario	0.3	0.3	0.6	1.0	1.4	1.5	1.9
<i>Prairies</i>	0.3	0.4	1.7	2.1	1.7	2.3	2.8
Manitoba	0.3	0.0	1.0	1.3	1.2	1.2	-
Saskatchewan	1.9	0.9	0.9	1.0	1.6	2.0	1.9
Alberta	-0.7	0.7	2.2	2.7	1.8	2.7	3.2
British Columbia	1.2	0.5	0.9	0.6	0.6	0.4	0.7
More Than One Province	-	-	-	-	-	-	-
Federal	0.9	0.1	1.7	1.9	2.0	2.0	2.0
Private Sector							
CANADA	1.4	1.8	2.1	1.8	1.8	1.4	1.7
<i>Atlantic</i>	1.3	2.1	1.2	0.8	1.8	0.7	2.2
Newfoundland	3.0	2.6	1.7	1.1	1.8	-	-
Prince Edward Island	1.7	-	-	-	-	-	-
Nova Scotia	1.2	1.7	2.1	2.1	1.4	1.9	2.0
New Brunswick	0.2	2.0	0.4	0.0	-	0.0	2.6
Quebec	1.5	2.2	2.5	1.9	1.5	0.4	2.5
Ontario	1.6	2.3	1.9	1.4	1.6	2.3	2.0
<i>Prairies</i>	0.7	2.1	2.5	2.9	4.9	2.5	-0.6
Manitoba	0.9	2.0	1.8	1.8	4.9	1.9	0.3
Saskatchewan	2.5	2.0	1.2	-	-	2.8	0.0
Alberta	0.3	2.2	2.6	3.6	-	2.9	-6.1
British Columbia	1.3	0.9	1.6	1.3	1.6	1.0	1.9
More Than One Province	1.1	2.3	2.8	3.2	-	-	1.7
Federal	1.4	0.7	2.0	-	1.5	2.0	1.6

Table C-2

**Number of Agreements and Employees Covered, by Region/Jurisdiction,
by Year and Quarter**

	1995		1996		1997	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
	(000's)		(000's)		(000's)	
All Sectors						
CANADA	403	909.3	376	800.9	378	697.7
<i>Atlantic</i>	17	21.2	32	34.2	18	20.9
Newfoundland	4	7.1	9	8.0	5	6.1
Prince Edward Island	1	0.5	6	6.9	-	-
Nova Scotia	6	4.5	8	5.6	2	1.8
New Brunswick	6	9.1	9	13.8	11	13.0
Quebec	78	329.7	57	81.1	38	91.3
Ontario	141	214.6	146	301.1	175	239.0
<i>Prairies</i>	58	102.3	71	113.1	79	145.1
Manitoba	25	49.4	31	53.6	21	27.9
Saskatchewan	8	15.1	17	34.9	7	16.9
Alberta	25	37.8	23	24.6	51	100.2
British Columbia	66	89.6	30	188.4	34	69.3
More Than One Province	11	13.1	1	0.6	7	7.7
Federal	32	138.8	39	82.2	27	124.4
Public Sector						
CANADA	216	630.9	211	556.5	221	374.9
<i>Atlantic</i>	6	12.4	11	18.0	8	10.9
Newfoundland	3	5.4	3	2.4	2	1.2
Prince Edward Island	-	-	6	6.9	-	-
Nova Scotia	-	-	-	-	1	0.6
New Brunswick	3	7.1	2	8.8	5	9.0
Quebec	54	302.5	20	46.0	16	19.4
Ontario	71	105.7	90	197.0	112	138.4
<i>Prairies</i>	39	80.6	55	98.7	55	100.6
Manitoba	19	41.9	25	48.5	18	24.0
Saskatchewan	6	13.8	13	30.4	4	14.5
Alberta	14	24.8	17	19.8	33	62.1
British Columbia	31	42.7	23	168.6	18	25.4
More Than One Province	-	-	-	-	-	-
Federal	15	87.0	12	28.2	12	80.3
Private Sector						
CANADA	187	278.4	165	244.4	157	322.8
<i>Atlantic</i>	11	8.8	21	16.2	10	10.1
Newfoundland	1	1.8	6	5.6	3	4.9
Prince Edward Island	1	0.5	-	-	-	-
Nova Scotia	6	4.5	8	5.6	1	1.2
New Brunswick	3	2.0	7	5.0	6	4.0
Quebec	24	27.2	37	35.1	22	72.0
Ontario	70	108.9	56	104.2	63	100.5
<i>Prairies</i>	19	21.7	16	14.4	24	44.5
Manitoba	6	7.5	6	5.0	3	4.0
Saskatchewan	2	1.3	4	4.5	3	2.4
Alberta	11	12.9	6	4.8	18	38.1
British Columbia	35	46.9	7	19.8	16	43.9
More Than One Province	11	13.1	1	0.6	7	7.7
Federal	17	51.8	27	54.1	15	44.1

Table C-2 (continued)

Number of Agreements and Employees Covered, by Region/Jurisdiction,
by Year and Quarter

	1997		1998					
	4		1		2		3	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
	(000's)		(000's)		(000's)		(000's)	
All Sectors								
CANADA	92	183.8	66	129.7	121	264.6	96	259.3
<i>Atlantic</i>	12	13.1	12	43.9	12	30.8	8	7.9
Newfoundland	2	1.9	5	14.9	2	10.5	-	-
Prince Edward Island	-	-	-	-	1	1.4	-	-
Nova Scotia	2	1.8	5	22.9	4	7.9	4	3.8
New Brunswick	8	9.5	2	6.1	5	11.0	4	4.1
Quebec	5	12.4	8	13.2	22	46.0	8	6.1
Ontario	27	32.1	13	24.2	42	105.0	36	63.1
<i>Prairies</i>	28	42.3	19	35.3	25	44.8	17	17.1
Manitoba	12	17.7	4	4.6	5	4.1	5	3.5
Saskatchewan	1	0.6	2	12.9	5	13.4	4	4.7
Alberta	15	24.0	13	17.7	15	27.4	8	8.9
British Columbia	11	21.6	5	3.2	7	13.5	12	120.4
More Than One Province	3	4.5	-	-	-	-	2	6.0
Federal	6	57.9	9	10.0	13	24.6	13	38.6
Public Sector								
CANADA	62	137.3	44	96.7	56	158.8	47	177.4
<i>Atlantic</i>	5	7.4	10	40.8	9	28.2	3	4.0
Newfoundland	-	-	4	12.4	2	10.5	-	-
Prince Edward Island	-	-	-	-	1	1.4	-	-
Nova Scotia	1	0.6	4	22.3	3	7.0	1	1.5
New Brunswick	4	6.8	2	6.1	3	9.3	2	2.5
Quebec	2	2.9	6	12.1	5	8.6	1	0.7
Ontario	19	22.3	5	4.6	11	65.5	20	30.4
<i>Prairies</i>	24	35.2	18	33.7	21	42.2	10	11.8
Manitoba	10	15.0	3	3.0	4	3.2	-	-
Saskatchewan	1	0.6	2	12.9	4	12.7	3	3.7
Alberta	13	19.7	13	17.7	13	26.3	7	8.2
British Columbia	6	11.6	3	1.8	2	5.2	7	117.4
More Than One Province	-	-	-	-	-	-	-	-
Federal	6	57.9	2	3.8	8	9.0	6	13.0
Private Sector								
CANADA	30	46.5	22	33.1	65	105.8	49	81.9
<i>Atlantic</i>	7	5.8	2	3.1	3	2.6	5	3.9
Newfoundland	2	1.9	1	2.5	-	-	-	-
Prince Edward Island	-	-	-	-	-	-	-	-
Nova Scotia	1	1.2	1	0.6	1	0.9	3	2.3
New Brunswick	4	2.7	-	-	2	1.7	2	1.6
Quebec	3	9.4	2	1.1	17	37.3	7	5.4
Ontario	8	9.7	8	19.6	31	39.5	16	32.7
<i>Prairies</i>	4	7.1	1	1.6	4	2.6	7	5.2
Manitoba	2	2.7	1	1.6	1	0.9	5	3.5
Saskatchewan	-	-	-	-	1	0.7	1	1.1
Alberta	2	4.4	-	-	2	1.1	1	0.7
British Columbia	5	10.0	2	1.3	5	8.2	5	3.0
More Than One Province	3	4.5	-	-	-	-	2	6.0
Federal	-	-	7	6.3	5	15.5	7	25.6

Table D

Major Wage Settlements, by Public and Private Sectors, by Year and Quarter

	Public Sector				Private Sector				All Sectors			
	Agmts.	Dur.	Empls.	Avg. Adj.	Agmts.	Dur.	Empls.	Avg. Adj.	Agmts.	Dur.	Empls.	Avg. Adj.
	(Months)	(000's)	(%)	(Months)	(000's)	(%)	(Months)	(000's)	(Months)	(000's)	(%)	
Year												
1978	369	17.2	885.3	7.1	308	22.6	429.8	8.7	677	18.9	1,315.2	7.6
1979	317	24.3	756.0	9.5	252	27.2	387.0	11.1	569	25.3	1,142.9	10.0
1980	325	26.0	919.4	10.9	233	27.5	298.8	11.7	558	26.3	1,218.2	11.1
1981	290	18.9	577.6	13.1	210	27.3	323.4	12.6	500	21.9	901.0	13.0
1982	319	14.6	865.1	10.4	189	25.2	282.2	9.5	508	17.2	1,147.3	10.2
1983	458	19.6	1,241.6	4.6	200	25.0	302.8	5.5	658	20.6	1,544.3	4.8
1984	277	17.0	637.4	3.9	282	26.1	518.8	3.2	559	21.1	1,156.2	3.6
1985	316	21.7	566.8	3.8	200	30.1	271.8	3.3	516	24.5	838.6	3.7
1986	322	25.4	711.2	3.6	231	26.0	410.2	3.0	553	25.6	1,121.5	3.4
1987	270	29.4	824.3	4.1	208	31.4	287.0	3.8	478	29.9	1,111.3	4.0
1988	301	24.0	698.6	4.0	241	27.2	484.1	5.0	542	25.3	1,182.7	4.4
1989	295	30.0	737.6	5.2	158	28.5	264.2	5.2	453	29.6	1,001.8	5.2
1990	283	27.4	677.8	5.6	224	29.7	468.5	5.7	507	28.4	1,146.4	5.6
1991	365	16.0	1,121.7	3.4	182	29.2	224.0	4.4	547	18.2	1,345.6	3.6
1992	302	21.7	977.3	2.0	194	32.2	329.5	2.5	496	24.3	1,306.8	2.1
1993	347	23.4	1,012.0	0.6	172	25.2	401.0	0.8	519	23.9	1,413.0	0.6
1994	299	26.5	719.8	0.0	135	34.5	222.8	1.2	434	28.4	942.6	0.3
1995	216	31.5	630.9	0.6	187	35.8	278.4	1.4	403	32.8	909.3	0.9
1996	211	31.7	556.5	0.5	165	34.9	244.4	1.8	376	32.7	800.9	0.9
1997	221	30.1	374.9	1.2	157	34.0	322.8	2.1	378	31.9	697.7	1.6
1998*	147	33.6	432.8	1.5	136	33.9	220.7	1.6	283	33.7	653.6	1.5
Quarter												
1995 I	41	28.2	138.1	0.6	36	34.1	45.8	1.9	77	29.6	183.9	0.9
II	58	30.7	96.0	0.8	65	34.9	92.3	1.3	123	32.8	188.4	1.0
III	34	28.8	87.5	0.4	59	38.2	113.4	1.2	93	34.2	201.0	0.9
IV	83	33.9	309.2	0.7	27	31.3	26.8	1.6	110	33.7	336.0	0.7
1996 I	51	43.6	120.5	0.2	33	33.1	46.8	1.3	84	40.7	167.3	0.5
II	74	27.7	279.9	0.5	48	37.5	46.6	1.6	122	29.1	326.5	0.7
III	48	28.7	81.4	0.5	49	29.0	64.9	1.8	97	28.8	146.3	1.1
IV	38	30.8	74.8	0.8	35	38.9	86.0	2.1	73	35.1	160.8	1.5
1997 I	52	29.6	88.2	1.0	30	36.1	40.4	2.1	82	31.6	128.6	1.3
II	72	26.1	98.8	0.8	56	26.2	144.6	2.5	128	26.2	243.5	1.8
III	35	30.2	50.6	1.1	41	37.4	91.2	1.5	76	34.8	141.8	1.4
IV	62	33.2	137.3	1.6	30	49.9	46.5	1.8	92	37.5	183.8	1.7
1998 I	44	36.6	96.7	1.8	22	35.1	33.1	1.8	66	36.2	129.7	1.8
II	56	31.7	158.8	1.7	65	28.0	105.8	1.4	121	30.2	264.6	1.6
III	47	33.6	177.4	1.2	49	41.2	81.9	1.7	96	36.0	259.3	1.3

* Year to Date

Agmts. - Number of Agreements
 Avg. Adj. - Average Annual Adjustment
 Dur. - Average Agreement Duration
 Empls. - Number of Employees

TECHNICAL NOTES

The information in this report is produced from collective agreement settlements in Canada which cover 500 or more employees in all industries. A few settlements are excluded where the basis of payment is on a piece/mileage rate basis.

The construction industry is excluded prior to 1983.

The Base Rate

The base rate is the lowest paid classification used for qualified workers in the bargaining unit. In most instances, the base rate is the rate of pay for an unskilled or semi-skilled classification of workers. However, this is not the case in contracts covering only skilled workers and professional employees.

As only the base rate in a contract is used, the resulting data on percentage change do not necessarily reflect the average wage change for all workers in the bargaining unit. For example, where an across-the-board increase is negotiated for all classifications in cents per hour (or other money terms), measurement on the base rate produces higher results than measurement on any higher rate, including the average rate. Where varying percentage or money increases are negotiated for different classifications, measurement on the base rate may produce results that are higher or lower than measurement on the average rate. Where an across-the-board increase is negotiated for all classifications in percentage terms, measurement on the base rate produces results identical to measurement on any other rate, including the average rate. It should be noted that information on the average rate for all employees in a bargaining unit is not available.

Effective Wage Increase

The effective wage increase is the increase in rates of pay including estimated cost-of-living allowance (COLA) payments. Estimates of the yield of COLA clauses are obtained by quantifying the characteristics of these clauses in each agreement and applying a combination of actual Consumer Price Index (CPI) increases available to date plus a specified projected inflation rate for the remainder of the contract duration.

In succeeding quarters, these estimates are revised using actual CPI values as they become available.

In the current report, an inflation projection of two per cent has been used when the actual rate is unknown. This figure is based on a rounded average of inflation forecasts and is intended for illustrative purposes only and does not constitute an official forecast by Human Resources Development Canada. The use of different inflation rate scenarios could result in varying settlement increases. The inflation projection used will be revised periodically to reflect prevailing economic conditions.

By including reasonable estimates of future payments under COLA clauses, the effective wage increase concept facilitates an accurate comparison of agreements with and without COLA and permits the aggregation of all agreements to yield an improved measure of wage settlements.

Public and Private Sectors

The principal unit of observation is the collective bargaining unit; however, the designation for inclusion in the public sector is by reference to characteristics of the employer with whom a bargaining unit negotiates. Reference to the employer characteristics makes the directives consistent with Statistics Canada's use of "institutional units" or "entities".

While the criteria relate to the classification of the public sector only, *the private sector is defined by exclusion*.

Public sector bargaining units negotiate wages or other working conditions with an employer who is part of, or an agent of, a government or a government business enterprise. The distinction between the two is whether the activity engaged in is "non-commercial" (Government) or "commercial" (Government Business Enterprise).

Government (Non-Commercial)

The government component comprises all non-commercial entities controlled by governments and mainly financed out of general taxation or other public

funds. These entities provide goods and/or services free or at non-market prices (not having a view to profit).

Sub-sectors of the government component are identified below:

(1) Federal Government

Collective bargaining in the Federal Government component is conducted under the *Public Service Staff Relations Act* (Parts 1 and 2), and the *Parliamentary Employment and Staff Relations Act*.

(2) Provincial and Territorial Governments

- (a) provincial and territorial government administration;
- (b) health, education and social services agencies or institutions
 - (i) public hospitals,
 - (ii) provincial residential care facilities,
 - (iii) universities,
 - (iv) colleges, vocational and trade institutions,
 - (v) social services business enterprise,
 - (vi) provincial elementary and secondary schools.

(3) Local Government Administration

- (a) local government organizations such as: municipalities, boards, commissions;
- (b) school boards;
- (c) social services: establishments at the local level primarily engaged in providing basic domiciliary care only, such as homes for the aged, blind or senile, boarding houses for the aged, day nurseries, shelters, etc.

Government Business Enterprise (Commercial)

The commercial component of the public sector is divided into three broad sub-groupings, based on

degree of governmental control, as follows:

(1) Direct Control

A commercial enterprise is directly controlled by a government if one of the following conditions is met:

- (a) a government holds more than 50 per cent of its voting equity, directly;
- (b) a government has irrevocable options or the right to acquire shares, or convertible debt or equity, exercisable at the discretion of that government.

(2) Effective Control

A commercial enterprise is effectively controlled by a government if one of the following conditions is met:

- (a) the government holds a significant voting ownership in a public enterprise, where significant is understood as:
 - (i) the holding is the largest block of voting equity; and
 - (ii) the holding exceeds 33.3 per cent of the voting equity; and
 - (iii) the block is larger than the combined percentage of the next two largest blocks;
- (b) the commercial enterprise declares that it is effectively controlled by a government;
- (c) there exists a method or variety of methods (e.g. significant voting ownership of the enterprise, technological agreements, supply controls or contracts, management contracts, interlocking directorships, etc.)

(3) Indirect Control

A business enterprise is indirectly controlled by a government if that government directly or effectively controls a government business enterprise, which in turn directly or effectively controls that enterprise.

SECTION 2

EXPIRIES AND REOPENERS* OF MAJOR COLLECTIVE AGREEMENTS IN JANUARY, FEBRUARY AND MARCH 1999

* Collective agreement may be reopened to negotiate ^{*1}wage provisions and/or ^{*2}other provisions.

Company and Location	Union and Occupation	Number of Employees	Industry
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JANUARY 1999

NOVA SCOTIA

Bolands Limited, Truro, Dartmouth and Halifax	United Food and Commercial Workers International Union (AFL-CIO/CLC) (retail employees)	625	Trade
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QUEBEC

^{*1} Alcan Smelters and Chemicals Ltd., Shawinigan	Fédération de la métallurgie (CNTU) (hourly rated employees)	500	Manufacturing
^{*1} Alcan Smelters and Chemicals Ltd. (Arvida), Jonquière	Fédération des syndicats du secteur aluminium inc. (Ind.) (hourly rated employees)	2,450	Manufacturing
^{*1} City of Québec, Quebec	Syndicat des fonctionnaires municipaux de Québec inc. (Ind.) (office and clerical employees)	740	Public Admin.
^{*1} Hydro-Quebec, province-wide	Canadian Union of Public Employees (CLC) (tradesmen)	5,660	Other Utilities
^{*1} Hydro-Quebec, province-wide	Canadian Union of Public Employees (CLC) (office and clerical employees)	4,780	Other Utilities
^{*1} Hydro-Quebec, province-wide	Canadian Union of Public Employees (CLC) (technical employees)	2,400	Other Utilities
^{*1} Société des alcools du Québec, province-wide	Canadian Union of Public Employees (CLC) (warehouse employees)	550	Trade
^{*1} Société des alcools du Québec, province-wide	Quebec Liquor Board Store and Office Employees Union (Ind.) (office, clerical and retail employees)	2,690	Trade

Primary Ind. - Primary Industries
Public Admin. - Public Administration
Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
QUEBEC (continued)			
*1The Construction Commission of Quebec, province-wide	Office and Professional Employees International Union (AFL-CIO/CLC) (office, clerical and technical employees)	520	Public Admin.
Tye-Sil Corporation limitée, Montréal	International Brotherhood of Teamsters (AFL-CIO/CLC) (plant and maintenance employees)	750	Manufacturing
*1University of Montréal, Montréal	Canadian Union of Public Employees (CLC) (office, clerical and technical employees)	1,700	Services
ONTARIO			
Bayer Inc., Sarnia	Communications, Energy and Paperworkers Union of Canada (CLC) (plant and maintenance employees)	900	Manufacturing
Hotel Employers Group of Toronto, Toronto	Hotel Employees and Restaurant Employees International Union (AFL-CIO/CLC) (hotel or restaurant employees)	1,800	Services
Pharma Plus Drugmarts Ltd., province-wide	United Food and Commercial Workers International Union (AFL-CIO/CLC) (retail employees)	1,400	Trade
MANITOBA			
MTS Net, Division of MTS NetCom Inc., province-wide	International Brotherhood of Electrical Workers (AFL-CIO/CLC) (craft and service employees)	1,600	Communication
ALBERTA			
*1Board of Trustees of the Calgary Board of Education, Calgary	Canadian Union of Public Employees (CLC) (building maintenance and outside employees)	860	Services

Primary Ind.	- Primary Industries
Public Admin.	- Public Administration
Services	- Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
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BRITISH COLUMBIA

Boilermaker Contractors' Association of British Columbia, province-wide	International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers (AFL-CIO) (boilermakers)	950	Construction
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FEBRUARY 1999

NEWFOUNDLAND

Iron Ore Company of Canada, Labrador City	United Steelworkers of America (AFL-CIO/CLC) (production employees)	1,550	Primary Ind.
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QUEBEC

Consumers Glass Inc., Montréal	Aluminum, Brick and Glass Workers International Union (AFL-CIO/CLC) (plant and maintenance employees)	650	Manufacturing
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*C.S. Brooks Canada Inc., Magog	Syndicat catholique des ouvriers du textile de Magog (Ind.) (production employees)	760	Manufacturing
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Lab. Société en Commandite, Opérations Black Lake, Black Lake	United Steelworkers of America (AFL-CIO/CLC) (mine employees)	500	Primary Ind.
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Pratt & Whitney Canada Inc., Longueuil, Boucherville and St-Hubert	National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC) (plant and maintenance employees)	2,875	Manufacturing
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ONTARIO

Canadian Pacific Hotels and Resorts Corporation, Toronto	Hotel Employees and Restaurant Employees International Union (AFL-CIO/CLC) (hotel or restaurant employees)	680	Services
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- Primary Ind. - Primary Industries
- Public Admin. - Public Administration
- Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
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ALBERTA

Alberta Roadbuilders & Heavy Construction Association, province-wide	International Union of Operating Engineers (AFL-CIO) (operating engineers)	550	Construction
Celanese Canada Inc., Clover Bar	Communications, Energy and Paperworkers Union of Canada (CLC) (plant and maintenance employees)	550	Manufacturing

MORE THAN ONE PROVINCE

Crown Cork & Seal Canada Inc., Toronto, Montréal and Winnipeg	United Steelworkers of America (AFL-CIO/CLC) (plant, maintenance, office and clerical employees)	500	Manufacturing
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MARCH 1999

NEWFOUNDLAND

Newfoundland & Labrador Hydro, province-wide	International Brotherhood of Electrical Workers (AFL-CIO/CLC) (plant and maintenance employees)	600	Other Utilities
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PRINCE EDWARD ISLAND

Health and Community Services Agency and Regional Health Authorities, province-wide	Canadian Union of Public Employees (CLC) (health services employees)	800	Services
Health and Community Services Agency and Regional Health Authorities,	International Union of Operating Engineers (AFL-CIO) (administrative services, service, maintenance and para-medical technical employees)	505	Services
Health and Community Services Agency and Regional Health Authorities, province-wide	Prince Edward Island Nurses' Union (Ind.) (nurses)	925	Services

Primary Ind. - Primary Industries
 Public Admin. - Public Administration
 Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
QUEBEC			
Noranda Copper Smelting & Refining (Horne Foundry), Rouyn and Noranda	Fédération de la métallurgie (CNTU) (mine employees)	600	Primary Ind.
ONTARIO			
City of Mississauga, Mississauga	Amalgamated Transit Union (ALF-CIO/CLC) (bus drivers, mechanics, service and maintenance employees)	540	Transportation
City of Ottawa, Ottawa	Canadian Union of Public Employees (CLC) (inside and outside employees)	1,400	Public Admin.
Ontario Hospital Association, province-wide	Ontario Public Service Employees Union (CLC) (laboratory technicians)	5,000	Services
PPG Canada Inc. (Duplate Division), Oshawa and Hawkesbury	National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC) (plant and maintenance employees)	780	Manufacturing
Toronto Transit Commission, Toronto	Amalgamated Transit Union (ALF-CIO/CLC) (bus drivers, office, clerical, service and maintenance employees)	7,600	Transportation
Workplace Safety and Insurance Board, province-wide	Canadian Union of Public Employees (CLC) (office, clerical and administrative services employees)	2,900	Public Admin.
MANITOBA			
Bristol Aerospace Limited, Winnipeg	National Automobile Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC) (plant and maintenance employees)	550	Manufacturing
Manitoba Health Organizations Inc., province-wide	Manitoba Association of Health Care Professionals (Ind.) (para-medical technical employees)	1,050	Services

Primary Ind. - Primary Industries
 Public Admin. - Public Administration
 Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
MANITOBA (continued)			
Manitoba Health Organizations Inc., province-wide	Manitoba Nurses' Union (CLC) (nurses)	8,000	Services
Manitoba Lotteries Corporation, Winnipeg	Manitoba Government Employees' Union (CLC) (casino employees)	670	Services
SASKATCHEWAN			
Saskatchewan Association of Health Organizations, province-wide	Saskatchewan Union of Nurses (CLC) (nurses)	6,700	Services
ALBERTA			
Alberta Treasury Branches (Division Treasury Department - Government of Alberta), province-wide	Alberta Union of Provincial Employees (CLC) (administrative services employees)	1,740	Public Admin.
Capital Care Group, Edmonton	Canadian Union of Public Employees (CLC) (health service non-professionals)	860	Services
Capital Health Authority, Edmonton	United Nurses of Alberta (Ind.) (nurses)	650	Services
Capital Health Authority - University of Alberta Hospital, Edmonton	Staff Nurses Association of Alberta (Ind.) (nurses)	1,990	Services
Governors of the University of Calgary, Calgary	Alberta Union of Provincial Employees (CLC) (support employees)	2,100	Services
Provincial Health Authorities of Alberta, province-wide	United Nurses of Alberta (Ind.) (nurses)	12,500	Services
BRITISH COLUMBIA			
Board of School Trustees of School District No. 38, Richmond	Canadian Union of Public Employees (CLC) (office, clerical, building maintenance employees and teaching assistants)	700	Services

Primary Ind. - Primary Industries
 Public Admin. - Public Administration
 Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
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BRITISH COLUMBIA (continued)

Simon Fraser University, Burnaby	Canadian Union of Public Employees (CLC) (office, clerical and technical employees)	650	Services
University of British Columbia, Vancouver	Canadian Union of Public Employees (CLC) (office and clerical employees)	1,300	Services
University of British Columbia, Vancouver	Canadian Union of Public Employees (CLC) (service and maintenance employees)	1,600	Services
University of Victoria, Victoria	Canadian Union of Public Employees (CLC) (office, clerical and technical employees)	600	Services

MORE THAN ONE PROVINCE

Air Canada, system-wide	National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC) (customer service)	3,700	Other Utilities
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Primary Ind. - Primary Industries
 Public Admin. - Public Administration
 Services - Community, Business and Personal Services

SELECTED PROVISIONS IN MAJOR COLLECTIVE AGREEMENTS*

Part-Time Workers – 1988 to 1998

Céline Laporte

Information and Client Services Section, Workplace Information Directorate

Labour Program, Human Resources Development Canada

Overall Trend

The number of collective agreements in Canada containing provisions for part-time workers has moderately decreased over the past decade. In 1988, these clauses were present in approximately 54 per cent of agreements covering 69 per cent of workers, whereas, in 1998, 49 per cent of contracts for 60 per cent of workers include provisions related to part-time work.

Public and Private Sectors

A similar decrease has been observed for the public sector over the ten-year period, while the incidence of part-time worker provisions in the private sector has remained at relatively the same level over the same period. In 1998, 72 per cent of public sector agreements covering 77 per cent of workers contain a provision for part-time workers (down from 80 per cent of agreements and 89 per cent of workers in 1988). Conversely, the incidence of these provisions recorded for the private sector represents only 25 per cent of collective agreements with a coverage of approximately 32 per cent of employees in 1998 (unchanged from their 1988 levels).

Major Industry Sectors

On a major industry basis, both the trade and services sectors have had the highest representation of agreements and workers covered by provisions for part-time workers in both 1988 and 1998. In 1988, an

identical proportion of collective agreements (87 per cent) in both these industry sectors contained provisions for part-time workers for, again in both cases, 92 per cent of the workers. In 1998, these provisions are present in 82 per cent of agreements representing 89 per cent of workers in the trade sector and 75 per cent of agreements with 74 per cent of workers in service industries, thus reflecting the overall decreasing trend in part-time worker provisions in collective agreements during this period. Industries with the lowest incidence over the ten-year period, include the primary and construction industries with a combined representation of less than three per cent of agreements and two per cent of employees in 1988 and one per cent of agreements and workers in 1998.

Provinces

On a provincial basis, in 1988, collective agreements in Prince Edward Island¹ and Saskatchewan provided the highest incidence of clauses pertaining to part-time work, (in the 80 per cent range for both agreements and employees in both of these provinces). In 1998, the proportion of agreements in Saskatchewan citing a provision for part-time workers has been maintained at approximately 76 per cent of contracts and 80 per cent of employees while all seven agreements in P.E.I. (100 per cent) now contain these provisions. Nova Scotia agreements provide for the lowest coverage with 41 per cent of agreements and 56 per cent of workers in 1988 and with 29 per cent of agreements and 19 per cent of workers in 1998.

* Major collective agreements are those covering 500 or more employees.

¹ It should be noted that the proportion of agreements in this province is marginal when compared to other provinces (five collective agreements in 1988 and seven collective agreements in 1998).

WORK STOPPAGES* – THIRD QUARTER OVERVIEW – 1998 AND CHRONOLOGICAL PERSPECTIVE

Blair Fawcett, Industrial Relations Analyst

Work Stoppages, Labour Organizations and Collective Agreement Analysis Section

Workplace Information Directorate

Labour Program, Human Resources Development Canada

Summary

- Time not worked as a result of strikes and lockouts during the first three quarters of 1998 amounted to 1,858,810 person-days. This total is somewhat lower than the 1988-1997 three-quarter average of 2,232,788 person-days lost.
- The number of workers involved in labour disputes during the first three quarters of 1998 totalled 137,728, also somewhat lower than the previous ten-year three-quarter average of 163,500.

Table A

Work Stoppages by Jurisdiction – 1998

Jurisdiction	Ongoing during the third quarter			Cumulative to September 30, 1998		
	Stoppages	Workers Involved	Person-Days Not Worked	Stoppages	Workers Involved	Person-Days Not Worked
Newfoundland	4	400	1,210	10	1,146	3,100
Prince Edward Island	-	-	-	-	-	-
Nova Scotia	2	226	160	4	1,373	13,710
Brunswick	2	138	3,290	2	138	8,330
Quebec	47	5,428	111,900	95	16,306	285,220
Ontario	79	35,583	460,510	120	53,705	793,830
Manitoba	3	881	26,780	7	1,167	28,230
Saskatchewan	1	11	100	3	222	11,460
Alberta	1	543	7,370	7	3,210	43,370
British Columbia	12	14,489	44,765	25	52,243	301,780
More Than One Province	1	4,520	261,980	1	4,520	316,220
Total Provinces	152	62,219	918,065	274	134,030	1,805,250
Canada Labour Code - Part I	5	2,636	38,959	11	3,698	53,559
Federal Administration	-	-	-	-	-	-
Federal Total	5	2,636	38,959	11	3,698	53,559
Total	157	64,855	957,024	285	137,728	1,858,809

Source: Workplace Information Directorate

* Involving one or more employees.

- There were 285 work stoppages during the first three quarters of 1998, compared with the 1988-1997 three-quarter average of 356 stoppages.
- The average of 13.5 person-days not worked per worker involved in disputes, is only marginally lower than the previous ten-year three-quarter average of 13.7 days.
- Six major work stoppages occurring during the first three quarters of 1998 accounted for approximately 41 per cent of the total person-days not worked.
- A strike by 4,520 **Abitibi-Consolidated** employees in Newfoundland, Québec and Ontario accounted for 316,220 person-days not worked through the first three quarters of 1998, over 17 per cent of the three-quarter total. The main issues involved are wages and working conditions.
- Five other work stoppages together accounted for approximately 24 per cent of the total person-days lost during the first three quarters of 1998, as follows: **Fletcher Challenge**, 2,400 employees in British Columbia; **Masonry Industry Employers Council of Ontario**, 3,500 employees province-wide; **Interior Systems Contractors Association of Ontario**, 1,500 employees province-wide; **Société des casinos du Québec inc.**, 1,800 workers in Quebec, and **Fearmans Fresh Meats** (division of Maple Leaf Foods), 795 employees in Ontario.

Table B
Work Stoppages by Industry – 1998

Jurisdiction	Ongoing during the third quarter			Cumulative to September 30, 1998		
	Stoppages	Workers Involved	Person-Days Not Worked	Stoppages	Workers Involved	Person-Days Not Worked
Primary Industries	6	5,046	289,810	10	5,378	378,530
Manufacturing	44	4,485	78,290	89	15,948	497,430
Construction	12	9,699	206,630	13	11,199	325,530
Transportation, Communication and Other Utilities	8	2,679	29,849	20	3,895	48,029
Trade and Finance	19	1,311	20,865	38	2,563	52,540
Community, Business and Personal Services	60	39,680	307,700	93	85,421	483,420
Public Administration	7	1,943	23,840	19	4,312	63,970
Various Industries	1	12	40	3	9,012	9,360
Total	157	64,855	957,024	285	137,728	1,858,809

Source: Workplace Information Directorate

Table C

Work Stoppages – A Chronological Perspective

Period	Number beginning year or month	in existence during year or month*			% of Estimated working time
		Total Number	Workers involved	Person-days not worked	
1988	483	548	206,796	4,901,260	0.17
1989	568	627	444,747	3,701,360	0.13
1990	519	579	270,471	5,079,190	0.17
1991	399	463	253,334	2,516,090	0.09
1992	353	404	149,940	2,110,180	0.07
1993	323	381	101,784	1,516,640	0.05
1994	312	374	80,856	1,606,580	0.06
1995	282	328	149,159	1,583,061	0.05
1996	295	328	281,674	3,349,420	0.11
1997	227	280	255,571	3,609,860	0.12
1997					
September	17	58	8,007	127,570	0.05
October	21	67	158,976	772,650	0.30
November	20	59	180,001	1,122,040	0.44
December	7	51	52,796	258,500	0.10
1998					
January	15	51	6,560	120,230	0.05
February	19	61	8,588	127,950	0.05
March	12	59	17,158	155,370	0.06
April	27	67	11,422	90,765	0.04
May	35	77	42,464	121,380	0.05
June	36	90	36,878	286,090	0.11
July	32	84	26,798	323,475	0.12
August	28	77	16,515	241,160	0.09
September	45	102	43,544	392,389	0.15

* Refers to work stoppages which began during the year or month as well as those carried over from the previous year or month.

Source: Workplace Information Directorate

SECTION 3

INNOVATIVE WORKPLACE PRACTICES

Céline Laporte

*Information and Client Services Section, Workplace Information Directorate
Labour Program, Human Resources Development Canada*

Of the 113 major collective bargaining settlements reached in the last few months, 50 (44 per cent) provide for the development or adoption of new or innovative workplace practices. The following provides an overall sketch of these workplace changes which are to be implemented or will be subject to discussion over the term of these agreements.

Duration

The majority of the contracts (64 per cent) have been renewed for a 36-month period, while 15 contracts (13 per cent) were renewed for a period of 48 months or more. This includes the agreement between Pacifica Papers Inc. and the Communications, Energy and Paperworkers Union of Canada (CEP), Local 592, and two agreements with the United Food and Commercial Workers International Union (UFCW) in the meat and poultry products industry in Ontario and Alberta which were renewed for a 72-month period. The remaining 26 collective agreements (23 per cent) are due to expire within a period of 24 months or less.

Labour-Management Committees

The establishment of joint committees responsible for the development or implementation of new programs and/or processes related to labour relations, the organization of work, compensation and working conditions, as well as training and development, continues to be the most common approach to implementing workplace change. In fact, almost half of the recently settled contracts reporting an innovative practice (24 agreements) provide for the creation of these labour-management committees to address matters of mutual concern such as, contracting-out, workload, training and upgrading of skills, benefits, pay equity, new technology, production processes and flexible work practices.

Labour Relations

Five settlements in the construction industry provide examples of innovation in the area of labour relations. One settlement with the Electrical Trade Bargaining Agency of the Electrical Contractors' Association of Ontario was reached at the final offer arbitration stage as a result of a unique bargaining arrangement aimed at preventing a work stoppage in the industrial, commercial, institutional and residential construction sectors. Two other agreements with the Mechanical Contractors' Association of Ontario and the Construction Management Bureau Limited of Nova Scotia provide for enabling clauses to implement or amend certain terms, conditions and work procedures in order to respond to their respective competitive issues. Another settlement with the Master Insulators' Association of Ontario allows for amendments to the collective agreement as required through the establishment of a labour-management committee mandated to discuss and remedy specific competitive issues that exist in the commercial and industrial sectors of the industry.

Organization of Work

The agreement between Pacifica Papers Inc. and the CEP, incorporates various flexible work practices designed to improve productivity and product quality, reduce down time and lower costs while ensuring the work is completed in a safe manner. The intent is for employees to safely utilize their existing skills, to maximize their productivity and to learn and use new skills to enhance their effectiveness. In this regard, new training programs will be introduced to facilitate the implementation and evolution of these flexible work practices.

Compensation and Working Conditions

Eighteen (36 per cent) of the 50 settlements reporting innovative practices contain provisions related to compensation and working conditions. Two of these agreements provide for pay equity adjustments and four other agreements provide for some form of wage incentive plan such as a stock purchase plan, a gain-sharing plan and an achievement incentive plan. An achievement incentive plan is contained in the agreement between Bell Canada and the Canadian Telephone Employees' Association (CTEA), which has been increased from 4.5 per cent to 5.0 per cent and consists of a team bonus to be awarded once financial performance and customer satisfaction targets are met, as well as a \$1,000,000 merit pay fund to recognize outstanding performance and to fund merit adjustments. Other innovative practices include: the introduction of leave without pay for the long-term care of a parent in three agreements with the Government of Canada, the implementation of an employee assistance program for employees of

A.G. Simpson Co. Limited in various Ontario locations, and a provision for a 1-year leave of absence without pay for general health purposes in the agreement between the Calgary Board of Education and Calgary Board of Education Staff Association.

Training and Development

The settlement between Bell Canada and the CTEA provides for the promotion of a workplace that values career planning, personal development and ongoing skills development. These are to be promoted through a one-day training module designed to help permanent employees evaluate their own skills and abilities and thereby improve their skills and career management abilities. Also, the Calgary Board of Education has increased funding for staff training and development to \$50,000 per year. Additional funding is provided by matching the Staff Association contributions to the Staff Development Fund to a maximum of \$25,000 per year.

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INNOVATIVE WORKPLACE MANAGEMENT PRACTICES

CASE STUDY: PURKINJE AND MEDICAL SOFTWARE DESIGN

Micheline DesRosiers, Ph.D.
School of Business Administration
University of Quebec, Montreal

France Pelletier, MBA
School of Business Administration
University of Quebec, Montreal

Purkinje inc. is a Quebec company working in the software engineering industry and specializing in medical informatics. It offers health care professionals a new generation of software with the capability to respond to the demands of their daily professional practice, in particular by integrating clinical operations and gradually eliminating paper files. In recent years, the company has moved to a new stage in its growth by completing the transition from experimental to commercial versions of its software. It has also increased its in-house staff and expanded its international distribution network. Its product line has also been expanded with the acquisition of Gestion ABH, a company specializing in medical administration software. This growth has been sustained by major changes in management practices and operations.

This case study focuses on the changes introduced in the subsidiary, Développement Purkinje, between 1995 and 1997. The subsidiary developed from a function-based structure to a product-based structure and transformed its work teams using the model tested by Microsoft. The new work design divides the employees in each product group into six teams (Product, Program, Development, Quality Assurance, User Training and Logistics) which operate on a cycle rather than on a linear basis of activities – an innovation in the software engineering industry. This operating mode allows for more effective monitoring of operations and brings to market software which is more effective at addressing customers' needs and thus of superior commercial quality. Among the company's staff, this new mode is associated with greater interdisciplinary co-operation and a change in culture. It leaves room for creativity, notwithstanding the standardization and formalization of the intellectual work.

1 – Introduction

The software engineering industry has its glory days but it makes demands on companies which want to succeed. They must keep pace with technological change, adapt quickly to the market and be constantly on the lookout for innovative products. To achieve a profile in today's world, it is not enough merely to design new products: a company needs to find a work design and an organizational structure which can allow such developments to go forward. This is the case with Purkinje inc. The study conducted in this company was intended to describe and explain the innovative practices which contribute to its success. The aim was also to assess the impact of changes within the company and to identify the success factors, as well as the pitfalls to avoid in implementing change. Since the study focused on management and workplace practices, certain more specific or technical

elements of its internal operations were ignored, specifically the process of developing software by successive prototypes used in certain research and development contracts for specific clients, as well as the process of developing research hypotheses which are defined before and during software development.

Data were collected in the course of individual interviews with seven employees occupying positions at different levels in the company hierarchy: two vice-presidents, three unit directors and two professionals. The interview content was analysed using qualitative methods, following which an analytical report was distributed to various members of the company for discussion and approval. The results of this approach are set out in the following sections of the article. After an overview of the

company, the changes at Purkinje are analysed from three standpoints: trigger factors, the content of the changes and their innovative features. The closing sections of the article attempt to explain the impact of the changes and the success factors.

2 – Overview of the Company

Purkinje inc. is a Quebec company working in the medical software field. It is a leader and pioneer in research on medical informatics, designing and selling software adapted to the needs of health care professionals. Its primary project, the computerized clinical file, known by its French acronym DCI [*Dossier clinique informatisé*] allows patients' clinical files to be computerized. This software can operate in a stand-alone mode or in close connection with medical administration software. The three types of software used in medico-administrative management are the Appointment module, the Billing module and the Patient Record module. These peripherals are essential to the smooth running of medical clinics. While practitioners have long wanted to integrate the practices of doctors and nurses (e.g. writing clinical notes, printing prescriptions, keeping records) with administrative practices, the concept was hampered by the lack of appropriate technology on the market. Not until 1990, when electronic recognition of handwriting became possible, could this idea move towards fruition. Today, health care professionals can write their clinical notes with an electronic pen on the screen of a laptop computer.

Purkinje inc.'s primary clientele comprises private medical clinics, nursing homes, short and long-term care facilities, health management organizations (HMOs in the United States) and independent practitioners' associations (IPAs in the United States). Over 1,100 sites in Canada and the United States are included in Purkinje's clientele, including *Foundation Health Systems Inc.* (United States), the University of Montreal Medical Centre, the Canadian Forces and Glaxo-Wellcome. The company is increasingly targeting nurses with its modular approach and is expanding into a broader range of medical activities.

Purkinje inc. has two subsidiaries. The first, Développement Purkinje inc., consists essentially of health professionals and computer specialists who design, develop and market the components of the DCI. The subsidiary has approximately 120 employees, whose work is supported by a

substantial number of outside consultants and researchers. The second subsidiary, Purkinje USA Inc., is located in San Antonio, Texas and has six employees, who recruit distributors for the American market and sell the DCI. In December 1996, Purkinje inc. acquired Gestion ABH, a Montreal company specializing in the medico-administrative field and the designer of *OPUS 3* software. The merger of these two leaders in Quebec medical informatics allows them to market a fully integrated turnkey product and thus to serve their respective client base more efficiently. The merger was also intended to expand the distribution network and to position the company better in international markets. Gestion ABH became a division of Purkinje inc., with its 15 employees. The two subsidiaries and Gestion ABH thus comprised all of the company's operations at the time of the case study in late 1997.

Purkinje does not face strong competition in Quebec or elsewhere in Canada at this point. While there are several companies which offer software to health professionals in Canada, their products complement Purkinje's and none of them specializes in the DCI. Companies with products similar to the DCI are to be found in the United States. According to a study by Stanford University in California, Purkinje's development is farthest advanced. In 1995, its medical knowledge base was the most advanced, the easiest to understand and the most user-friendly in North America (Press release, 1997). Several similar projects are under development around the world and a number of pilot projects should enter the American market within a year or two. This is why Purkinje is trying to establish strategic alliances with such key US customers as the *Health Management Organizations*. At this time, Purkinje's management is in the process of negotiating business partnerships with a number of health care distributors ranked among the top ten in North America.

Purkinje got its start in 1978 when a general practitioner, Doctor Rénaud St-Arneault, set up a research and development company in Montreal, Canada, to find a way of using state-of-the-art technology to facilitate the practice of medicine. The business took off in 1983 by computerizing the bills sent by physicians to the Quebec health insurance plan [*la Régie de l'assurance-maladie du Québec*] and the Quebec workers' compensation board [*la Commission de la santé et sécurité du travail au Québec*]. Encouraged by this success, top managers decided to expand its activities and invest in the design and development of a new product, the computerized

clinical file (DCI: *Dossier clinique informatisé*). The research began in 1991 with a team of physicians and computer experts. This innovative informatics product launched Purkinje on a period of remarkable growth. Between 1995 and 1997, the company hired on a massive scale: 70 new employees, primarily programmers, joined the operations department, while the staff of the quality assurance department expanded from three to 15 employees. The company had over 140 employees by late 1997: most of them were physicians and computer experts with an average age of 35, and they were not unionized. The company's success was paralleled by its excellence. In 1994, the provincial informatics federation, *la Fédération de l'informatique du Québec*, awarded Purkinje two prestigious prizes, the Octas, for excellence and innovation. In May 1997, Purkinje walked away with the Excellence – Technology Sector prize awarded by *Investissement Desjardins inc.*, and the following year it received the second prize for excellence from the same organization. The company's founder is the current president and is still active in its operations.

3 – Innovation and Change

The growth of the company in recent years was sustained by major changes, particularly in the internal operations of its subsidiary, Développement Purkinje inc. Our case study accordingly focuses on this subsidiary. We will first analyse the trigger factors for change and then describe the structural and cultural solutions which were applied, before concluding with an analysis of the innovative features of the changes.

3.1 – Problematics

The expansion of the company's operations and workforce resulted in a number of internal problems. With a larger number of employees, its activities became more complex and the risk of conflict grew. Managers also became aware that many things were not going well, even though the signs were not always clear as a result of the growth. For example, at certain periods, many employees were not fully occupied, while at other times they were overloaded, indicating a weakness in the structure and design of work. Rumours were another indicator of the need for change. One person we interviewed even

described them as “a running sore on the body of the organization”, since they created frustrations or misunderstandings and had a detrimental impact on the atmosphere in the workplace. For example, there was a rumour that certain programmers were thinking of leaving the company because of its poor organization; this worried the employees greatly, as they wondered how the company could survive if it lost key persons in the product development department.

Moving from an experimentation phase to a software marketing phase also created difficulties. The responsibilities continued to be divided up on the basis of specialization. The physicians looked after the clinical content and the computer engineers thought software. It was thus difficult for the employees to gain an overview of the finished product. The informatics team was also very large and the role of the informatics director was limited to a general overview of each product, which was not enough to ensure the quality of the final product. Quality assurance was no more than embryonic: a few people and two or three machines were all there were to carry out all the tests. The verification methods were not advanced and the products were tested as they came along, without any planned approach. The personnel in the team were accordingly in a reactive mode. The logistics team also functioned similarly. Quality and logistics problems had not existed when the company was developing experimental versions of the prototypes: they made their appearance along with the commercial versions of the software and the large-scale distribution plans.

The problems with production and delivery of software were other factors which triggered major changes. There were difficulties meeting production deadlines, combined with numerous problems with communication and with the circulation of information across and between teams. A sequential production mode was used, with specialized teams at each stage in the production of software. The medical team produced the specifications for the product and forwarded them to an informatics development team which worked on the basis of its understanding of the specifications before transferring responsibility to the installation team, which went to the user's facilities to install the product. Ultimately, the product did not necessarily match the physicians' initial concept. “Every team thought about its product, wanted to have its product, nobody wanted to put all the pieces together,” we were told by one of the directors we interviewed. Everyone was concerned about the

objectives of their own discipline, but cared little about deadlines or the final product. In addition, the work processes were inadequately documented and inefficient, according to another director. Responsibilities were individualized and were not clearly assigned. The co-ordination and control of operations was achieved on an informal basis and by mutual accommodation between employees. All these practices were consistent with the culture of a small research organization where the pre-eminent qualities were self-reliance and self-management. With the commercialization of the software and the growth of operations, the subsidiary's operations began to look chaotic. Some tasks or responsibilities could be avoided or ignored, while the management and production mechanisms became increasingly inefficient.

With these problems, the software delivery deadlines were not always met. The users/experimenters who tested the products became increasingly dissatisfied and complained about delivery delays. Some people even talked about getting rid of the product altogether. The company was in danger of losing its credibility and as time went on, it was increasingly in danger also of losing its technological lead over current and potential competitors. This was one of the signs that a major change was essential. In a competitive industry such as software engineering, poor planning allows competitors to steal the lead in the market very quickly. For example, Purkinje had invested \$15 million in research and development over three years, but the product was still not fully developed by 1994. During this time, international competitors were trying to regain lost ground. It therefore became necessary to get closer to the users by offering products which addressed their needs more accurately and by improving the planning of the procedures for updating the DCI and for training the users' staff. In short, all management and production activities were clamouring to be re-thought.

3.2 – Solution

New Work Structure and Design

In order to resolve the in-house operating problems and not to inhibit growth, management decided to make major changes in the company's organizational structure and in the design of the local teams' work. The new structure of the subsidiary grouped teams by product rather than by function or speciality. Three

main informatics development groups and projects were established. The DCI project group was responsible for the computerized clinical file, the medico-administrative project group (MAD) was in charge of medical administration software integrated with the DCI and the clinical notes module project group (MNC) took charge of the multilingual medical databases which underlie the DCI and cover a wide range of specialities: cardiology, endocrinology, hematology, pediatrics, etc. Each of the three major operating groups is headed by a director who is responsible for all the operations of his unit. At the head of the subsidiary, there are also three departmental directors responsible for production group support activities: Quality Assurance, Logistics and User Training. The structure is thus hybrid in terms of operations, as it combines divisional grouping (for informatics products) with functional grouping (for support services). There is a danger here of generating tensions between the groups. The members of the services units, however, are assigned to one of the three product groups and can thus develop expertise in one type of product.

The changes made to the work design are aimed at structuring the local teams more effectively and at achieving better control over operational activities. One of the first key changes concerns the division of labour. Each product group is divided into six teams with specific tasks and roles to perform, which are clearly defined and set out in a document available to all employees. The *Product* team has the mission to represent the needs and concerns of users and is responsible for marketing. The *Program* team designs the various versions and co-ordinates the work of the six teams. The *Development* team is responsible for the design, development and unit tests of each version. The *Quality Assurance* team is in charge of the overall quality of the product: the programs, documentation, training and conversion software for the computer systems currently installed at the users' facilities. The *User Training* team looks after all aspects of documentation, on-line help and training for the user's staff. The *Logistics* team is responsible for all the technological aspects, to ensure that the installation of the product at the user's facilities will be a harmonious process.

The second major change in the work design has to do with the way in which software is developed. The new approach proceeds on the basis of cycles, with the objective of supplying a complete finished product at the end of each cycle for one software version at a time. A cycle is divided into four quarters,

corresponding to the four major stages in software development: identification of needs, planning, construction and stabilization of the product. These stages are carried out with the co-operation of the six work teams on the basis of clearly defined procedures. In the first phase, the Product and Program teams are primarily involved in defining the overall vision of the product to be developed and drafting a document which will be used as a basis for negotiations with company executives. This document will also require the approval of the six team leaders before the teams are moving on to the next stage. During this second phase, which is called the planning stage, the functional specifications of the software are developed and written for each module. The consulting architect issues general ideas, on the basis of which the work plans and discussions are organized at the level of the employees, team leaders and then the program head, who looks after planning for the entire operation. The discussions conclude with the approval of the second, more technical document about the product by the six team leaders. In the third stage, referred to as the construction stage, all the teams are involved. The Development team is very busy identifying the functionalities of the software. Based on these specifications, the Quality Assurance team prepares the test plans and utilization scenarios for the forthcoming verifications, while the Training Team develops course and documentation plans for users. For their part, the physicians on the Product team are involved in activities to ensure that the specifications are consistent with the overall vision of the product. The fourth stage, or product stabilization stage, involves more the Logistics, Quality Assurance and Training teams, as they need the complete specifications to finish their work: stabilize the product, the codes, the courses, the documents, etc. The Development team corrects any mistakes and completes any missing elements in the software. This stage ends when the six team leaders approve the product for delivery.

In short, the new operating mode differs radically from the old one: it proceeds by cycles rather than sequentially, as the Chart (next page) attempts to show. The operation is also parallel: a new production cycle begins before the end of the preceding version of the software. Thus, several products are in development simultaneously, albeit at different stages. One further important difference from the old way of operating is the fact that the operations to be carried out by each team and at each stage are described in detail in a document. The employees are required to follow the

formal procedures and may refer to the document in the event of a mistake, conflict or other problem in the work.

Cultural Change

The changes made to the organizational structure and to the work design involved a cultural change, and specifically a change in mentality and in work atmosphere. Most of the people we interviewed stated that the change in mentality had begun, but that it would have to continue to make progress in order to reach all members of the organization. Communication between individuals and between teams has improved and is more effective. Employees have learned to work with people in other fields of expertise and to share common goals, whereas before each individual was focused on their own research and their own specialty. The people we interviewed also believed that the employees are increasingly aware that structural change was necessary for the company to continue to grow.

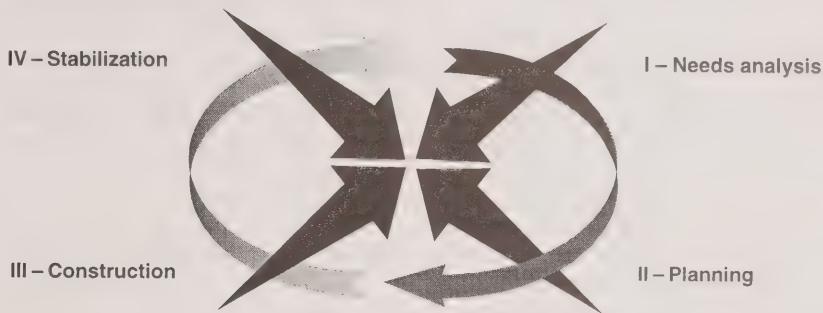
A healthier organizational climate is now a characteristic feature of the workplace. The employees seem to be more satisfied, more motivated and prouder to work on a product. The fact of proceeding by version allows employees to see where they are going and to have shorter-term objectives, which is more motivating. A product-result orientation also helps develop team spirit. Previously, a team would be composed of specialists who were developing several products. The work of each member was accordingly more individual and more compartmentalized. For example, the doctors and nurses were working on the knowledge base and the informatics experts on the software, but there was little interchange between the two teams. The teams are now multidisciplinary and exchanges between specialists in different fields are more frequent. The specialists who are developing the DCI are accordingly much closer to those who are marketing the DCI than to their colleagues who are developing other products. The problems are easier to resolve, since the new work design provides for interaction mechanisms and defines each individual's roles more clearly. There is also greater use of communication technologies such as voice mail, e-mail, committee meetings, and centralized and redistributed minutes. People thus understand each other better and interact more. The re-design of work has united the employees in the company.

The hiring of an outside general manager in 1996 contributed to the change implementation. The changes were having a major impact on existing work habits and established ways of operating, resulting in frustrations, with the concomitant risk that change would be paralysed. The new general manager addressed these problems and paid special attention to job transfers, the appointment of new team leaders and the formation of new teams. He also succeeded

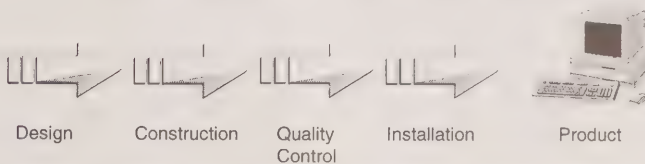
in channelling the tensions that the change generated fostering a consensual philosophy in management and problem-solving. Thus, before taking a decision on the development of a product, the team leaders consult, discuss and reach an agreement amongst themselves. This method of decision-making by consensus reassured people and facilitated the transition from one operating mode to the other. The general manager also took charge of the technical side and introduced new elements which he had tested elsewhere.

Work Design According to the Old and New Operating System

New Work Design: Cyclical Operating Mode



Old Work Design – Sequential Operating Mode



3.3 – Innovative Features of the New Structure and Work Design

The new organizational structure and work design affect all the operational processes. In this section, we shall see how these changes impact on the various processes and what elements make them innovative in the field of software engineering.

Formalization

The model which guided the re-designing of work is based on a method developed by Microsoft. There

are two documents which describe the model. The first one gives an overall definition of the roles and responsibilities of individuals or work teams, while the second one sets out the procedures to be followed for each of the tasks or operations that make up the development of software. These documents helped to structure and formalize activities within the company. The roles and tasks are better defined and documented, as a result of which no one can relegate their responsibilities to someone else. This avoids the conflicts which existed previously. In addition, no one is "in limbo" in the words of one of the people we interviewed. Now that individual responsibilities are clearer, when a problem arises, the person in charge cannot slough the problem off onto someone else but

must shoulder the responsibility and solve the problem. The documents also support the training of newly hired employees. With this documentation, new employees understand their role and duties, and they know how to perform their work, with whom to exchange information, etc. It is accordingly a good learning system. Since the company is better organized, it finds it easier to attract the kind of employees it was previously unsuccessful in convincing. "Today, we have reached a stage where the people we wanted have agreed to come and work for us, as they felt that Purkinje was ready," one of the interviewees confided to us.

Participatory Decision-making

Prior to the introduction of the structural changes, most decisions were made by the executive team. Since then, operational decisions have been decentralized to the product committees, i.e. the committees made up of the six team leaders for the subsidiary's product groups. There is thus greater participation in decision-making and consensus is the method of choice. This formal process is not inflexible and leaves room for informal influence in decisions, as one of the directors we interviewed pointed out: "In reality, it is often the employees who are the most charismatic and whose leadership skills are the strongest who organize themselves to ensure that decisions are taken." Thus, employees who are not in management positions can influence formal decisions and thus have power in the company. This informal power does not appear to be exercised in a hidden manner, as discussions with the team leaders give employees opportunities for exerting their influence openly.

The introduction of structural changes initially gave rise to problems in the decision-making process. According to the people we interviewed, these were of two types. The first was related to the role of the program head, which was not understood by everyone. Some people thought that he had to decide on and impose a solution in the event of a disagreement among the six team leaders within the same product group, while the model assigns equal power to the six team leaders and requires that agreements be negotiated. If one of the six were to impose a decision, the objective of the model and the democratic process were flawed. The second problem was in a sense the opposite of the first one, namely an excess of democracy. Initially, everyone in some teams wanted to make the decision, but people could not manage to agree with one another, so discussions

went on and on and decisions were not taken. As a result, there was no progress and the employees became dissatisfied. In both instances, the problem was closely monitored and a solution was found which respected the democratic process on which the new structure was based. It was agreed that the person one step higher in the hierarchy, i.e. the project director, would decide when the individuals involved could not agree on the decision to be taken.

Once these problems had been resolved, the democratic process reduced conflicts of interest and power games between specialists. There is less ambiguity in their interactions as the powers of each decision-making authority and each unit have been clarified. The product-based structure also encourages employees, specifically the doctors and the informatics specialists, to work together towards a common goal. The employees now think and decide in terms of the final product and the user, rather than from the perspective of their own field of specialty. Thus, the reorganization improved and democratized the decision-making process.

Keeping Commitments

The new operating mode gives people the means to collectively define deadlines and to meet them, which is new in an industry famous for delays in the delivery of its software. Each production cycle must end with a deliverable version of the software product on a specified date. All teams are responsible for supplying a finished product on the agreed deadline. As well, each team leader must approve the deliverables at every stage in the production cycle. If it proves impossible to meet all the objectives within a cycle, they will be postponed to the next version. In this way, the employees gain a better short-term perspective and are able to plan their work better. The advent of each new development cycle helps to re-focus attention and energies in the right direction. It also facilitates consensus and improves communication between individuals. Thanks to clearer and firmer commitments between the members of a product team, production cycles are more predictable and easier to control.

New Role: Program Manager

Under the old operating mode, there was a lack of leadership in the production process, as the teams were working on several products and there was no

one individual to act as leader of a specific product; hence the importance of the program manager's role within the new structure. He acts as a kind of guardian of the product specifications and deadlines. As soon as a specification change is made, he is responsible for ensuring that the impacts on the other teams' work and on the deadlines are known to everyone. This is the case, for example, when an employee realizes that certain activities cannot be carried out because of the cost of the technologies involved. By informing the teams of changes in specifications as they occur, the program manager ensures that the deadlines are amended accordingly. There are no longer any surprises just before the scheduled product delivery date. The program manager is thus a co-ordinator and a conductor of the "orchestra." He helps to solve problems with specifications and delays with regard to deadlines.

4 – Impact of Changes

The changes introduced in the subsidiary Développement Purkinje had a positive impact in a number of areas: employees, planning and internal processes, products and business performance. Some negative impacts on individuals were also observed.

4.1 – Impact on Staff

Among existing staff, the changes introduced initially generated a degree of resistance, but the most notable reactions for many employees were stress and burnout. Between 1995 and 1997, not only did jobs change, but also responsibilities, methods and co-workers, as well as equipment and physical organization of the workplace. Taken together, all these changes created uncertainties and increased the workload, resulting in the burnout of many people. These problems seemed to be linked to the scale of the changes made, especially during the transition period. Management did not ignore them: it helped employees suffering from stress or burnout, specifically with paid leave and the support of team leaders.

Notwithstanding the problems encountered, the people we interviewed felt that the level of motivation and satisfaction among employees had increased. Clearer objectives, enhanced communication between individuals and teams, and greater participation in decision-making contributed to positive results.

Commercial success constitutes another explanatory factor. Especially in the field of medicine and informatics where people are highly educated and self-reliant, job satisfaction depends to a large extent on the opportunities offered by the workplace to fulfil the need for accomplishment and success. "The success of the company is what motivates them," stated one of the directors we interviewed. The employees seem proud of the successes achieved. For example, parties were organized on completion of the new versions of the software and cigars bearing the name of the version were distributed to all employees, just as on the birth of a child. Such activities were less personalized under the old operating mode, since the products were not associated with specific individuals or work teams. There is now a greater feeling of belonging to the product, as well as a feeling of success, whereas previously the release of software was tainted by a sense of failure: the product had not been finished by the deadline and was not error-free. A new dynamism has thus been injected into the company in the wake of the changes.

One further phenomenon which appeared during the change-over period but which was not anticipated was the emergence of natural leaders. According to one director we interviewed, there is a frequent tendency to underestimate certain individuals who help to attenuate resistance, since they do not hold positions of responsibility within the formal structure. "They do their job, they generally keep a low profile and as a result there is a tendency to forget them," he said. In a period of major change, the Purkinje executives observed that what counted was not the position in the chain of command nor the degree of competence, but the individual's personality and ability to rally people in a team. Some people thus revealed themselves as true leaders, whereas they had previously passed unnoticed.

4.2 – Impact on Planning and Internal Processes

The organizational changes helped to meet the planning challenges. In the field of software engineering, it is difficult to plan activities because the work is based largely on the creative function, thus on activities which are not repetitive and which are difficult to anticipate. There are also the uncertainties associated with the knowledge field. Since the technology is complex and in a state of rapid evolution, managers cannot rely on their current

knowledge to plan the development of a new product. On the other hand, planning is crucial, not only because of the large sums of money which have to be invested, but also because a new software normally requires the development of numerous prototypes before a marketable product can be developed. The risk of delay in deliveries and the risk of financial loss are thus high, hence the importance of planning to reduce risk.

The new work design made it possible to structure planning activities in a variety of ways. As one of the four formal stages within the production process, planning receives the attention of people in the same way as the other activities. It makes them aware of its importance and its associated problems. The description and formalization of the work processes also contribute to reducing the uncertainty surrounding work, and thus lead to more effective planning and control of operations. Lastly, the possibility of recycling action plans provides staff with the flexibility they need to adjust to unforeseen situations and problems they encounter. Even where planning is formalized within the company, it does not constitute a rigid framework for action. On the contrary, it makes internal processes more predictable and more susceptible to control, both with regard to the content and quality of the software and delivery deadlines. Internal processes accordingly became more efficient and more effective with the new work design. The new versions of the software are released more quickly and their commercial quality is superior.

The changes have had other positive impacts on the management processes, specifically on hiring. With operations now better structured and more formalized, it has become possible to hire more people and integrate them more easily into existing personnel and activities. The documentation has also helped new employees to adjust and has shortened their training. The company's growth has thus been able to continue without major problems.

4.3 — Impact on Products and Commercial Performance

Since the changes were implemented, Purkinje has delivered superior quality software and new versions of its software are released more quickly and more frequently. The cyclical operation and the existence of parallel cycles allow more things to be accomplished in the same amount of time with no diminution

of quality. The model taken as the inspiration for re-designing the work explains how product quality control can be achieved rapidly and on an ongoing basis. A quality assurance department has been established and sophisticated quality control methods implemented. Software has also been designed to automate the audit of products in the development process. Today, some informatics experts are responsible for testing what their colleagues have written, in other words, for reading the others' codes. The most important parts of a software may be revised by teams or by a committee to ensure that no errors have occurred in writing code and to find the optimum way of writing it. Everyone involved in the review process also undergoes a learning process, as a member who submits the best way of writing code for a software will share it with the other team members. The next time, they will write this way from the start. In quality assurance, people must continually improve as quickly as possible, since the technology is evolving and the lead over the competition can soon be lost.

Now that product quality has improved and software delivery deadlines are being met, the company has regained its credibility with users. The products delivered are more effective in meeting customer needs and more in line with the physicians' initial concept of the product. This has had a positive impact on the company's commercial performance: increased sales and exports, the signing of numerous sales contracts and the negotiation of agreements with major US distributors. Management believes that the change in the company's image, combined with its new dynamism, will strengthen their competitive position and technological lead in the market. They hope that this will convince their competitors to abandon their development projects and proceed in association with Purkinje.

5 — Critical Success Factors and Advice

In order to explain the positive results produced by the changes, it is important to explore the way in which these changes were implemented and the factors which contributed to success. The approach taken by Purkinje was voluntary and planned from the top: the changes were identified and decided upon at the top before being introduced into operations. Under these circumstances, our analysis highlights a number of critical factors and pieces of advice worth following. These elements of success accordingly apply to a

specific type of change and to companies similar to the one covered by this case study.

5.1 – Critical Success Factors

Capacity for Self-Criticism

The capacity for self-criticism present among management and employees appears to be essential as a condition for change. It allows people to become aware of the existence of problems and seek solutions instead of ignoring them. At Purkinje, people are encouraged to voice their criticisms and to take the necessary initiatives. This freedom of expression and action is useful not only in triggering the process of change, but as the process moves forward, it also helps people to remain vigilant to problems and make the necessary adjustments. It is thus closely linked to the other success factors discussed below.

Willingness of the Executives and Project Initiator

The willingness of the executives and the director who sponsored the project constituted a key success factor in implementing the changes. The president, general manager and vice-president of the subsidiary we studied gave their support to the project initiator and became directly involved in its implementation. Their influence became particularly obvious when some of them initially gave contradictory messages. For example, they announced their agreement with a consensual management approach, but at the same time continued to function in the old way accustomed as they were to planning, directing and controlling activities. These inconsistencies were detrimental to the implementation of change and it was as a result of the interventions of the project initiator that the executives were able to grasp the implications of the changes and make the necessary adjustments. This confirmed the importance of translating the intention to change into action and underscored the importance of leadership to keep change on course and avoid wandering from the process. The contributions of the project initiator were apparent in other interventions: he was the one who designed the new operating model and succeeded in convincing management of the value of change. He also undertook to train the employees and passed on to them his desire for change. The presence of a sponsor accordingly emerges as a key element in the success of major change.

Pilot Project

The experience at Purkinje shows the importance of testing change with a pilot team prior to general implementation. The medico-administrative team was used as a test group, since this team was smaller and its activities were less crucial to the future of the company. In the event of major problems, the impact on the remainder of the company was thereby reduced. At Purkinje, proceeding on the basis of pilot experiments reflects their normal approach, i.e. by prototype. With the pilot team, the mistakes and problems involved in implementing a new operating mode were identified and the necessary procedure adjustments were made. The company also realized the importance of documentation in order to monitor and co-ordinate the project. The experience also revealed the extent to which the receptivity of team members to change facilitated its implementation and made it possible to counteract the uncertainty and stress people were experiencing. Once they were convinced of the desirability of change, these people became the messengers of the project and were able in turn to convince their colleagues and senior management of its value. "It was at that point that the indications of success became apparent," we were told by one of the people we interviewed. Carefully choosing the first group of people to test the change is therefore a success factor, as these people become a source of dynamism and motivation for the others, particularly at difficult times.

Individual Characteristics

There are other success factors which are linked to individual characteristics. Among management personnel, flexibility, frankness and openness, respect, attention and support for employees emerge as important qualities. With these qualities, the problems of implementation are easier to deal with, for example, by questioning those who display resistance to change and finding solutions, or by supporting people suffering from burnout and giving them time. As far as the employees were concerned, the relatively young average age (35) may have contributed to the success of change. Despite profiles which some would consider conservative, the employees are highly intelligent individuals who are looking for solutions. They are curious, inquisitive and interested in state-of-the-art technology. They need to learn every day and have a good capacity to adjust to change. Given these characteristics, it appears to be easier for them to understand and accept change,

but that would not be enough without the employees' participation in the change process. Relying on employees who are dynamic, have drive, can create enthusiasm and motivate others increases the chances for the change to be successful. Everything must be handled in a healthy, pleasant atmosphere, since change demands an effort on everyone's part.

5.2 — Advice

The success factors set out above may offer advice worth following in order to succeed in implementing major changes in the field of software engineering, but the people interviewed mentioned other, more specific advice.

Understanding and Maintaining the Philosophy of Change

The first piece of advice was to make sure that the change in question is properly understood and well planned. It is also necessary to maintain a philosophy of continuous improvement in order to increase product quality and to make progress. There may be a hidden trap in the fact that once a change has been implemented, people have a tendency to rest on their laurels. Mechanisms must accordingly be instituted to ensure continuing progress, especially in the informatics field, where performance demands are very high and where knowledge is evolving rapidly.

Training Staff

Another piece of advice has to do with staff training. Sufficient training must be given on the new operational methods and a follow-up training must be maintained. At Purkinje, all staff affected by the change received training in the new method of operation, but the follow-up was insufficient. The training accordingly failed to deliver as many benefits as it could have. According to one director interviewed, the implementation of the new structure is incomplete and there are still things to be done, specifically an enhanced effort to train more multipliers. However, two years seem to be a relatively short period of time to complete a large scale change.

Being Prepared and Taking Time

According to the people interviewed, a major change is a lengthy process which sometimes prompts a desire to give up, but which is less likely to harbour pitfalls if it is well planned and prepared. For example, taking the time to consult with and listen to employees, choosing the right moment to announce and implement change are key elements in success. Employees must also be given the time they need to digest the change, their questions must be answered and their reluctance addressed. The success of the process can be jeopardized by rushing fences, and this can even lead to failure.

6 — Conclusion

During its first phase of growth, Purkinje had achieved a level of excellence by developing experimental versions of innovative informatics products. In order to continue to grow, it had to progress to commercial versions of its software and to large-scale distribution. To achieve this, significant change was required in its structure, work design and culture, particularly in the major unit of the company, its subsidiary, Développement Purkinje.

This subsidiary has moved from a function-based to a project-product structure. It has also introduced a new work design based on a production process which is organized by cycle rather than by sequence of operations. This cyclical method of operation helps in meeting deadlines and releasing new versions of software more frequently and more quickly. The employees are also more motivated, as they have shorter-term deadlines and more specific objectives, in contrast to the previously used sequential operating mode, where there was no possibility of going back to rectify the operating specifications, as these were set in stone. Furthermore, in a linear mode, each individual focuses on their own speciality and forgets the ultimate objective: to develop a product which meets customer needs. Now, there is a spirit of co-operation between specialists of various fields. Each one is familiar with the other's roles and responsibilities and is better able to appreciate and understand the other's needs. There has accordingly been a convergence of ideas towards a common goal: the final product. The decision-making process is also more democratic and consensual than before. The program manager has a key co-ordination role, without having decision-making power over the other team leaders.

The new work design has also structured and formalized employees' work. The entire production process is documented, information flows are known and roles are set out in writing. Closer control is also exercised over the quality of the work and the operations. The dynamism and creativity of employees has not diminished despite the presence of this structure around intellectual work. A flexible planning process and a consensual decision-making approach seem to have contributed to this success.

Operating on the basis of production cycles constitutes an innovation for the software engineering industry, which normally works on a sequential basis. This new approach encourages interdisciplinary co-operation and increases employee motivation. It is not so much the tasks which have changed as the ways of working. For example, there is now more interaction between people from different specialities. The physicians work in close co-operation with the informatics specialists, programmers, etc., in contrast to the old method, where a medical team produced the product specifications and forwarded them to a development team, which set to work on the basis of its understanding of the specifications, then transferred responsibility to an implementation team, which went to the user's facilities to install the product. By the end of the process, the product did not necessarily correspond to the physicians' initial conception. Both internally and externally, dissatisfaction and criticism were growing stronger and signalled the need for major change.

In the new operating mode, the Logistics, Training and Quality Assurance teams report to a different director than the Product, Development and Program teams. The new structure is thus a hybrid, since it combines functional direction and product direction at the operating level. There is a danger that the old mentalities remain in the functional teams, specifically interest in one's speciality rather than in the product, and, this danger could generate tension between product groups. This problem was addressed by appointing a product supervisor within the functional teams. The idea of regrouping teams in this way has benefits, according to some of the people we interviewed. It allows the decisions of the three support teams to be centralized, makes economies of scale possible and avoids task duplications. For example, it is more useful if a single individual orders all the tools and equipment necessary to support quality assurance within the product groups than to have a quality assurance director in each product group repeating the same tasks.

Overall, this case study shows that the changes implemented at Purkinje take into account the three major components of the organization: structure, culture and individuals. These three were configured in a new way to meet the challenges of growth in a highly competitive and constantly evolving industry. The company was thus able to achieve a second level of excellence, based on the commercial quality of its products and on the efficiency of its management and production processes.

The Workplace Information Directorate provides a variety of information on innovative workplace practices in each issue of the Workplace Gazette.

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HEALTH AND SAFETY WORK REFUSALS: A CASE STUDY OF FORD OF CANADA'S ST. THOMAS ASSEMBLY PLANT*

Robert Sinclair
Queen's University

The right of an individual worker to refuse work under unsafe conditions has been an integral part of occupational health and safety legislation in Ontario¹ since 1976. Although initially envisioned as a "last straw" mechanism which would only be utilized when all other means of addressing the problem have been exhausted, over the past two decades the scope of workplace situations to which the right to refuse work has been applied has broadened to include such issues as ergonomics complaints, "susceptible worker" refusals and facility or working conditions concerns. The expanded scope of the right has become a source of labour-management controversy in recent years. Employers are concerned over unnecessary costly production losses associated with "unsubstantiated" work refusals, and maintain that the "work refusal provision is sometimes misused to resolve potential labour relations issues, such as work reorganization, technology changes and overtime, as well as non-immediate health and safety concerns which could be dealt with through an internal complaints procedure" (Ontario Ministry of Labour 1997). Unions are of the opinion that the current legislation does not provide effective protection against dangers to workers' physical and mental well-being. They believe that "in some cases, work refusals arise because supervisors and employers do not otherwise respond to workers' health and safety complaints. This is of particular concern regarding ergonomics hazards and exposure to hazardous chemicals which can lead to

serious injuries that are not necessarily immediate or obvious" (Ontario Ministry of Labour 1997). This paper provides an empirical perspective on the nature, scope, and effects of work refusals, based on an analysis of work refusals in 1995, at Ford of Canada's St. Thomas car assembly plant in Ontario.

Background

Although health and safety legislation has existed in Ontario since the *Factories Act* of 1884 (SO 1884, c. 39), not until 20 years ago did workers acquire the statutory right to refuse unsafe work. The enactment, in 1976, of the *Employees' Health and Safety Act* (SO 1976, c. 79) provided that an employee may refuse to work: (a) where he/she has reasonable cause to believe that a machine, etc. is unsafe, or (b) where the work would involve a contravention of applicable health or safety regulations. This initial statutory right to refuse unsafe work was envisioned as a "last straw" mechanism which would only be utilized when all other means of addressing the problem had been exhausted.

In 1978, the *Occupational Health and Safety Act* (SO 1978, c. 83) replaced the *Employees' Health and Safety Act* and amended the "right to refuse unsafe work" provision, following the Report of the Royal Commission on the Health and Safety of Workers in

* A condensed version of author's research essay titled *Evolution of the Right to Refuse Unsafe Work: A Case Analysis of Ford of Canada's St. Thomas Assembly Plant*, completed for the Master of Industrial Relations (MIR) degree at Queen's University. The essay was supervised by Professor Pradeep Kumar.

¹ The right to refuse unsafe work exists in all provincial, federal and territorial jurisdictions in Canada since the late 1970s. The substantive requirements, however, vary widely across jurisdictions.

Mines, headed by Dr. Charles Ham.² The *Act* came into force in October 1979. The applicable section³ provided that an employee may refuse work where he or she has reason to believe that, (a) any equipment, machine, device or thing the worker is to use or operate is likely to endanger himself, herself or another worker; (b) the physical condition of the workplace or a part thereof in which he or she works or is to work is likely to endanger himself or herself; or (c) any equipment, machine, device or thing the worker is to use or operate or the physical condition of the workplace or the part thereof in which he or she works or is to work is in contravention of this *Act* or the regulations and such contravention is likely to endanger himself, herself or another worker. The 1978 amendment removed the “reasonable cause” requirement provided for in the 1976 legislation replacing it with “reason to believe”, thus legitimizing first stage work refusals based on an employee’s subjective beliefs.

The *Act* was further amended in 1990 with the introduction of *Bill 208*. While the individual worker’s right to refuse unsafe work provision was unchanged, the amended legislation further extended the right to stop work to certified members of the joint health and safety committee. Under the *Act*, the certified members of the committee, bilaterally or unilaterally, may direct the employer to stop “specified work or to stop the use of any part of a workplace or of any equipment, machine, device, article or thing if a dangerous circumstance exists.” The employer is legally obligated to stop the work as directed and to take remedial steps. The “dangerous circumstance” is defined under the *Act*, to be a situation in which a provision of the *Act* is being contravened, the contravention poses a danger or hazard, and the danger is such that any delay in controlling it may seriously endanger a worker. Although there has been no case yet where unilateral right of a committee member has been exercised, “employers consider this right to be

unnecessary because workers already have the individual right to refuse unsafe work” (Ontario Ministry of Labour 1997). Unions believe the unilateral (collective) right to refuse unsafe work is essential since the levels of risk which are optimal for management sometimes differ from the levels of risks that are optimum for workers.

Case Analysis of Ford’s St. Thomas Assembly Plant

The Ford Motor Company of Canada is Canada’s second largest automobile company with sales of nearly \$25 billion and 15,000 employees. Ford manufactures cars and trucks at two assembly plants in Oakville and one in St. Thomas, Ontario; produces engines at the Windsor Engine Plant and the Essex Engine Plant in Windsor; aluminum engine parts at the Essex Aluminum Plant and the Windsor Aluminum Plant; and, iron castings at the Windsor Casting Plant. The Company also operates a national parts depot in Brampton, Ontario, and has three parts distribution centres and five regional sales offices across Canada.

With regards to occupational health and safety, Ford of Canada maintains that the health and safety of its workers is a key consideration in all of its operations, products and services. Ford’s health and safety policy is based on the three principles: (1) the protection of Ford’s employees is an important consideration in business decisions and an integral part of the planning process; (2) health and safety is a company-wide responsibility and Ford continually strives to improve the Company’s standards and compliance with occupational health and safety legislation, and the education, awareness and commitment of employees regarding workplace health and safety; and, (3) Ford works closely with government officials, interested private organizations, and the general public towards

² In his report, Dr. Ham advocated worker participation in regulating occupational health and safety and considered joint participative responsibility the key to accident prevention (Ham, 1976). This cornerstone of the Ontario *Occupational Health and Safety Act*, labeled as the Internal Responsibility System rested on three fundamental rights of workers. These three rights are: the right to know; the right to participate, and; the right to refuse unsafe work. When Ham addressed the right of workers to refuse unsafe work within the Internal Responsibility System, he envisioned that it would be used only infrequently and that the purpose of this right was to bring safety concerns which developed in the course of a day’s work to management. It was felt that management and labour would work together on joint health and safety committees to resolve outstanding issues, and that the individual right to refuse work would only be utilized in situations in which the worker was aware of a dangerous circumstance that management was not (Ham, 1976).

³ Section 23 of the *Occupational Health and Safety Act* (SO 1978, c. 83) which is currently section 43 of the *Occupational Health and Safety Act* (R.S.O. 1990, c. 01).

the adoption and enforcement of responsible, effective, and sound laws, regulations and policies for protecting occupational health and safety (Ford Motor Company of Canada, Limited, 1995).

St. Thomas Assembly Plant

The St. Thomas Assembly Plant of Ford was built in 1966. The plant assembles 980 cars a day in an 8-hour shift. Annual production averages 200,000 units. Total vehicle assembly time is 22.0 hours, and the line rate is 60 units per hour. Employment levels have remained fairly stable since the late sixties, and currently there are 2,539 hourly workers and 259 salaried personnel. St. Thomas' safety operating system includes ten joint management-union initiatives committed to employee's health and safety, diffused responsibility for health and safety to all employees, monthly departmental safety evaluations, bi-annual joint zone audits as well as many other reporting systems designed to prevent workplace accidents.

Health and Safety Work Refusals

The following pages include an analysis of 231 work refusals at Ford's St. Thomas Assembly Plant in 1995. (The year 1995 was chosen for analysis largely because the most complete set of health and safety data were available for that year.) Work refusals at the plant have varied markedly over the past ten years. In 1986, there were 138 refusals. The number of incidents rose to over 200 during 1987-1989, but declined substantially between 1990 and 1992 in the range of 115-148 refusals. Work refusals were up again during 1993 and 1995 averaging around 250 a year. Most incidents were resolved internally without calling the Ministry of Labour inspectors. The production losses due to work refusals have similarly fluctuated over the past ten years between 1,233 and 4,000 and averaging 2,500 units annually. The average number of production units lost was stable during the period of 1986-1990. In 1991, the average jumped by over 200 per cent and remained at a high level over the next two years. The average declined in 1993 and 1994 and increased again to a new high in 1995. The variations in work refusal and resulting production losses are partly attributed by both union and management to changes in labour-management relationships.

Suspected Causes of Work Refusals

The 1995 health and safety related work refusals were broken down by the plant's management into three separate categories based on the "suspected" cause of the work refusal. These categories were labeled work practices, redistribution and ergonomics:

- Nearly two-fifths or 95 of the 231 work refusals in 1995 were based on work practice complaints. Work practice refusals encompassed all hazards, perceived by a worker, that are a result of production and facility type concerns.
- Fifteen per cent or 35 of the 231 work refusals were related to redistribution of work, deemed by management to be situations in which the worker was using the work refusal process as a leverage to avoid increased work allocation or other undesirable circumstances within the employee's work life.
- Nearly one-fifth or 45 of the 231 work refusals in 1995 were based on an ergonomic concern, where the physical activity required to perform the work task was perceived by the worker to require too much physical exertion, either on a prolonged or short-term basis.
- A final category covered all work refusals in which the safety engineer could not identify any clear, legitimate cause for refusal. These refusals are labeled by management as "frivolous." In 1995, fully 24 per cent of employee work refusals or 56 refusals were deemed "frivolous".

The work refusals were further analyzed to determine whether there were any differences between the "balance-out" and "pre balance-out" periods, in terms of incidence rate and the suspected cause of the work refusal. The balance-out period, or work assignment reallocation period, is a 4-month period at the plant when efficiencies are achieved within the assembly operations by moving work elements from one operator to another. In this way individual jobs are eliminated, although such action seldom results in permanent layoffs, as surplus employees are usually reassigned to other programs. Under the collective agreement, it is only during the 4-month balance-out period that work assignment can be changed or eliminated. Traditionally, the majority of the plant's work refusal have occurred in the 4-month balance-out period.

The data collected show that 165 of the 231 or 71 per cent of the total work refusals in 1995 occurred during the balance-out period. Significant differences were noted in the incidence of work refusals due to work redistribution. In the pre balance-out period only 1 per cent of refusals were found to be rooted in redistribution concerns, while during the balance-out period 21 per cent of the 165 work refusals were based on redistribution issues.

Prior Notification and Use of Other Health and Safety Forums

The issues of prior notification and whether or not other participatory forums were utilized for the resolution of the health and safety concern before proceeding to a work refusal are critical in any attempt to determine whether the other aspects of worker participation, the right to know and the right to participate on joint health and safety committees, are being utilized by both parties to prevent workplace accidents and injuries. Examination of the data reveals that:

- In 42 per cent of the work refusals the employee had notified management of a safety concern before initiating a work refusal.
- In another 14 per cent of the cases, discussion in some other forum had been attempted in order to resolve the safety concern.
- In terms of the balance-out and pre balance-out periods, the data reveal that during the balance-out period only 46 per cent of employee work refusals had been previously discussed while in the pre balance-out period, prior notification and/or other forums had been attempted in settling the issue in over 80 per cent of the cases.

These results are not unexpected, due to the many changes in production during the balance-out period, and the fact that the safety concern was not apparent until the production process had altered. However, what these observations do reveal is that in a majority of the work refusal situations, 129 of the 231 work refusals, the issue which resulted in a work refusal had been discussed by the employee and his/her supervisor or by both workplace parties in one of the forums for health and safety administration before proceeding to a work refusal.

Risk Factor and Corrective Action Taken

In any attempt to analyze the use of work refusals to prevent injuries in the workplace, it is necessary to examine the risk factor involved, and whether corrective action was taken. Each work refusal was categorized as low, moderate or high risk and the corresponding corrective actions of management were categorized accordingly as none, little, moderate or extensive. The data show that:

- In almost 70 per cent of the work refusal incidents management found that the risk involved was low, while in only three of the 231 refusals was the danger considered high in terms of probability, imminence, and potential severity. Consequently, in two-thirds of the work refusal incidents, management undertook little or no corrective action. The extent of corrective action taken was proportional to management's interpretation of the severity of the risk involved.
- The incidence rate of low risk refusals was higher, and the moderate risk refusals lower, during the balance-out period. As well, the percentage of refusals in which no corrective action was required prior to the resumption of work was significantly higher during the balance-out period.

Union Steward Involvement

Under the *Act*, once a work refusal is initiated the supervisor of the worker is required to investigate the refusal in the presence of the employee and any one of either a union plant committee member, a health and safety representative or a worker who, because of his or her expertise and knowledge, is selected by the workers to represent them. The data collected at the St. Thomas Assembly Plant show that in addition to those participants prescribed by the *Act*, in 34 per cent of the refusals the union steward played a significant role in the work refusal process and/or the resulting investigation. When the data are broken down into the balance-out and pre balance-out periods it is observed that in 17 per cent of the pre balance-out period's refusals and in 41 per cent of the balance-out period's refusals the union steward was involved in either the initial work refusal or the subsequent investigation. The greater union involvement during

the balance-out period is likely indicative of the linkage between the redistribution of work and other workplace issues in which the union is involved.

“Merited” vs. “Non-merited” Work Refusals

In order to assess possible misuse of the right to refuse unsafe work provisions of the *Act*, each health and safety work refusal is categorized by Ford's management in terms of whether the refusal possesses merit. In defining a refusal “with merit,” St. Thomas plant management acknowledges that there is some validity to the health and safety issues brought to their attention through the work refusal. However, management also contends that just because the work refusal is valid and therefore “with merit,” it does not necessarily imply that the refusal is warranted under the circumstances. For example, a health and safety work refusal may be valid, in that there was some violation of the *Act*, but if there is no immediate danger to the worker, then management feels that the refusal is not warranted as some other means of addressing the health and safety concern should have been attempted by the employee. Of the 231 health and safety work refusals in 1995, 42 per cent of the total work refusals were perceived by management to be “with merit” and 58 per cent were deemed to be “without merit.” Almost two-fifths, 56 of the 135, “non-merited” work refusals were further termed “frivolous,” that is refusals that management believed were not based on health and safety concerns.

An examination of the causes of work refusals by “merit” revealed that while 72 per cent of refusals for unsafe work practices were deemed “merited” by management, more than three-quarters of the refusals relating to work redistribution and more than one-half of the ergonomics related refusals were considered

“without merit.” An overwhelming majority of “non-merited” work refusals took place during the balance-out period.

Conclusions

The empirical analysis of work refusals for unsafe work at St. Thomas plant of Ford provides valuable perspectives on the changing nature and scope of the right to refuse work as it is applied in practice, the differing interpretations of workers and management of what constitutes unsafe work and what kinds of health and safety risks fall within the parameters of the work refusal provisions of the occupational health and safety legislation. The case study, although limited to work refusals at a point of time, confirms the divergent goals and objectives of labour and management in the area of health and safety, an area where both parties have often maintained that they have a mutual concern and desire to create a safe and healthy work environment. Whereas management appears to perceive employees' right to refuse unsafe work limited to situations of immediate danger to a worker's physical health and safety, unions tend to interpret the right to refuse encompassing all aspects of the work environment affecting employee physical and mental well-being and a viable medium for inducing corrective action.

The case study further underscores the close relationship between health and safety outcomes, including the exercise of the right to refuse unsafe work, a positive labour relations climate, and “high commitment” management strategies that place a high priority on employee involvement, participatory culture and continuous improvement in work environment (Ignatieff 1995). The findings of the study highlight the need for extended research into work refusals with a view to modifying the legislative framework to make it more responsive to changing workplaces.

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WORKPLACE INNOVATION EXPERIENCES SUPPORTED BY THE LABOUR-MANAGEMENT PARTNERSHIPS PROGRAM

*Labour-Management Partnerships Program
Federal Mediation and Conciliation Service
Labour Program, Human Resources Development Canada
1-800-563-5677*

There is a growing recognition at the firm and industry level that a positive approach to labour-management relations is crucial to the success of the Canadian economy. However, in many workplaces, good relations are not easy to establish and maintain. Since 1991, the federal Labour-Management Partnerships Program (LMPP) of the Federal Mediation and Conciliation Service (FMCS) has provided advice and funding, on a cost-shared basis, to companies and trade unions in support of joint initiatives aimed at enhancing productivity and competitiveness, as well as employment security and good working conditions.

The experience of the companies and unions involved in these LMPP supported projects on workplace initiatives has been documented in a number of articles describing each project. Each article is drawn directly from independently-conducted interviews with the management and union officials involved in making workplace change happen. They reflect the experience of very diverse Canadian enterprises in sectors that range from manufacturing to resource processing to health care. Some projects are industry-wide; companies small and large are included. Each article provides a "snapshot" of a labour-management initiative, many of which continue to evolve.

*In two previous issues, the **Workplace Gazette** published three articles pertaining to organizational change and team work and three articles concerning union-management collaboration. The last three articles of the series published in this issue relate to **investing in human skills/resources**.*

"When he's CQI'ing, he's just plain Harry..." Continuous Quality Improvement at the Group Health Centre

"When he's doctoring, he's Doctor Sowards. But when he's CQI'ing, he's just plain 'Harry'."

Nancy Juby explains to a caller that her boss, Dr. Harry Sowards, changes his name when he switches from general surgeon to chair of the Sault Ste. Marie Group Health Centre's Continuous Quality Improvement Council. The well-known health facility has worked better since physicians, nurses, management and support staff sat down together to look for new ways to deliver quality patient care.

The Group Health Centre (GHC) was developed 30 years ago as the original capitated health care facility in Canada. "Capitated" means that it receives government funds according to the number of patients

for which it provides care. It's a huge operation, now topping 39,000 registered patients, 50 on-staff doctors, 260 support staff, including a full complement of nurses and technicians. It is managed by a 12-member volunteer Board of Directors, divided evenly between representatives of Sault Ste. Marie locals of the United Steelworkers of America, and "community members", in collaboration with the Algoma District Medical Group (ADMG), an independent group of physicians.

Ray Yukich, a retired Health Canada employee, chairs that Board. "Continuous Quality Improvement (CQI) started when some of our people went to an Atlanta conference, sponsored by the Institute of Health Improvement, in 1991. We recognized that Continuous Quality Improvement could help us handle the uncertainties of providing health care to our community."

The uncertainties, Yukich says, are changes in the way that health care is being delivered in Canada, and a clear need, with shrinking government funding, to make sure that every health care dollar is carefully

spent. It's becoming more and more difficult to meet patient care objectives without changing the way things are done and improving productivity, he says.

Harry Sowards underlines another key change: "As physicians, we have had to meet the changing expectations of patients. They are much better informed about their health than in the past; they insist that they must know and understand what we are doing to treat them. There have been medical-legal changes, too; we can't just chop away at them with gay abandon any more . . ."

Sowards says that CQI teaches that about one-third of everything that health care does can be improved, to save money and provide better results. And, he points out, "decisions about how you do things are better if a team looks at what we do....people who are involved at every step of a process. For one thing, you find out right away that people do not do what you thought they did."

The GHC's Continuous Quality Improvement process involves a representative team of people conducting a detailed mapping of the work process. They identify improvements and propose their solutions to the GHC Quality Council.

The first Quality Council was formed in 1993. Dawn Valiquette, president of the Canadian Union of Public Employees (CUPE), Local 894 that represents 190 GHC workers, remembers being asked to participate. "I was a bit leery," she says. "CUPE's national policy was not to get involved in Total Quality Management (TQM), or anything that sounded like it. It had been used too often as a smokescreen for downsizing. The union even offered a course for members on what to watch for."

At the GHC, she says, trust took a while. "It took time for me to feel comfortable in this process." She is positive about the way that identical training in quality improvement techniques was offered to both workers and management. Also, she says, the union was brought in "at the beginning, just as soon as they decided to start it up." That was a big factor in reducing her own suspicion.

Without being asked, she also mentions the Labour-Management Partnerships Program. "When we got the grant," she says, "there was a written agreement with the government to do a specific program, and report progress. The GHC had to show that we were

making progress, and had to show that it was dealing with the union."

Since then, in her words, "management has started to understand the perspective of the union. Even in the beginning, they didn't put little meters on people's feet, to see how far they walked in a day. Our people who've been on a team and been trained in CQI have found out that, in CQI, they're on the same level as the others – talking about what they do, and about what affects their work. It's a 'no fear' environment, and it's happening."

Management, she says, has also proved that job reductions were not the goal of CQI.

Nurses at the GHC, Local 12 of the Ontario Nurses Association (ONA) are also represented on the Quality Council. Karen Scott, the Local's former president, is enthusiastic about CQI's results: "we all have a common view of each other as human beings, with common problems. The trust is really there now. The nurses here are participating with physicians and management in making things better."

Harry Sowards' colleagues had their own challenges, he says. "Physicians, as you know, are trained to be God Almighty. It was difficult for some of them to sit down and listen to the lab technicians or the secretaries, and it was hard to get them to sit on the teams. It's the results that have won them over, plus the learning. They say things like 'I didn't know that it was that complicated when I just ordered a simple test or a report.'"

Valiquette, Yukich and Sowards all talk about the success of a team that examined the work of five medical secretaries, responsible for preparing reports and charts for physicians. Although a cardiologist and a general practitioner were on the team, it was led by the supervisor in the GHC's records department. When the team prepared detailed flow charts for the work, says Harry Sowards, the diagnosis was that the secretaries were using many of the work processes that had been in place for 30 years. It was also identified that it was once again time to update the equipment. Dawn Valiquette chuckles about the secretaries using carbon paper with DotMatrix printers, and the doctors grumbling about the appearance of the reports that resulted.

"We found that only about 50 per cent of the time was actually spent productively," says Sowards. "We made

big changes, and it was a success story. Everyone said it really worked." Valiquette says that her members' morale went way up: "before CQI, staff were feeling ignored, they weren't getting any training on new processes or being challenged at all. Afterwards, they were being listened to, and needed improvements were made. That made a lot of difference."

What's worked well, and what's been tougher? "For one thing," says Ray Yukich, "you have to watch out that you don't take on something too big. You have to break it into bite-sized pieces." He means that work processes have to be small enough to analyze in detail, so that you can find the changes that you need to make. Sometimes, that means "flow charts inside of other flow charts", says Sowards.

Valiquette and Sowards highlight the need for CQI to be implemented at the right level. "It's important that the management people on the council be at the right level, somewhere in the middle." Top management isn't likely to have the time available to devote constant attention to CQI initiatives, but needs to drive the process changes. The GHC has hired a full time CQI coordinator to provide dedicated support to the program.

They also agree that it's only by involvement that people are won over to the benefits of the process. "It's very tough sometimes to talk people into doing this," says Sowards. Dawn Valiquette echoes that sentiment, and adds, "I find that when people are in it, they get a lot out of it, and they move it around, telling others. We have an informal spread of CQI into other departments – people go back to their regular jobs, but say 'maybe we should be looking at how we do things', and sometimes that happens, without a formal CQI process."

She also says that departments are working better together, and that employees think more about how their work affects others. "Understanding other people's jobs is a big step forward. There are fewer little 'wars' going on between departments – now, it's more like how we can make things easier for everyone."

Valiquette says she's not the type to preach to other CUPE locals. "They have to make their own judgments about their employer; whether they are being up front, honest and committed with them about quality, or whether it's just the flavour of the month, or a new way of downsizing." But she thinks that the CQI work

will affect the collective bargaining process planned for later this year. "We're going to take a 'how can we achieve this' approach with management this time. We'll see how that works."

Ray Yukich is sold on CQI. He talks about GHC staff working more positively together. Although he can't yet point to cost savings, he is enthusiastic about better patient care, and improved patient satisfaction with the Centre. The GHC has just begun to conduct detailed patient surveys, and he hopes his suspicions will be confirmed.

National Institute of Disability Management and Research: "Doing the Human Thing"

"Getting disabled workers back to work makes sense. You can do the right 'human' thing and spin-off big savings to the economy," says Brian Payne, Vice-President (Western Region), of the Communications, Energy and Paperworkers Union.

From its home at North Island College in Port Alberni, British Columbia, the National Institute of Disability Management and Research, a partnership of organized labour, employers and government, is a world leader in strategies to re-integrate disabled workers into the workplace. A key program is Canada's only university-level certificate program in Disability Management, offered with the University of British Columbia. The program was partly sponsored with \$95,000 from the Labour-Management Partnerships Program.

Often described as a human dynamo, Wolfgang Zimmermann is the Institute's Executive Director, and its guiding force. His involvement in disability issues goes back to 1977 when, as a 20-year-old forestry worker, a falling tree broke his back. "I was back to work in a few months," he says, "but I lost my job in 1982. That turned me into an advocate for disabled workers."

Zimmermann says his experience was typical, as he first fought his own case, then found others in the same boat. In 1987, he helped start the Disabled Forestry Workers Foundation of Canada, to draw media and public attention to the plight of disabled workers, and promote their return to work.

The road that led to the Institute began in 1987 when the foundation sought union and company sponsors for a one-hour national television program **"Every Twelve Seconds"**. Its title came from the fact that every 12 seconds, a Canadian worker is disabled on the job. Rather than dry statistics, the program looked at the human side: the trauma, attitudes and complexities of serious industrial accidents.

"Ten years ago, I didn't know where this would lead," Peter Lawrie, Director of Labour Relations at MacMillan Bloedel, looks back at his involvement. "There were two things that attracted me to this. First, the personal side – human resources professionals were clearly guilty of losing track of the individuals who were hurt, and buying into an 'out of sight, out of mind' approach. Second, it seemed to me that Wolfgang was trying to build an eclectic coalition: labour, government, crown corporations, workers compensation board, and lots of companies."

"We were going toe-to-toe with some of the companies in the marketplace, and toe-to-toe with labour at the bargaining table. I was intrigued by the idea that people who spend their lives scrapping with each other could get together behind a common purpose."

Brian Payne's previous union job brought him face-to-face with how Canada handled disabled workers. "I was a staff rep in Vancouver, and spent considerable time on health, welfare and workers compensation issues. We were able to get peoples' benefits extended and make sure their medical costs were covered. But, in the end, they were left out of the workplace – frustrated, disenfranchised, and bitter. Especially after the recession hit, if you lost your job because you were disabled, it was almost impossible to find another one."

The next step was a joint labour-management task force, co-chaired by Payne and Lawrie. As the task force research went ahead, says Zimmermann, "the price tag got bigger and bigger, and the problems got more and more horrendous." About five per cent of the Canadian workforce was on some form of long-term disability status; employers involved in the task force confirmed this within their own companies. Lawrie says that the task force produced supportable, objective research into the costs and impacts of disabilities.

Zimmermann recalls the task force's 1990 study tour to Germany. "There was no comparison," he remembers. "Germany was way ahead." Disabled German workers, even those with severe disabilities,

returned to work at twice Canada's rate. Germany's reintegration programs reflected a strategic business context aimed squarely at the bottom line.

If Germany could get twice as many of its disabled workers back on the job, the Task Force thought, so could Canada, and British Columbia's forest industries were a good place to start. Three things were needed: policy changes, changes in attitudes among both employers and unions, and a permanent "home" for disability management training programs, with expertise about how Canada could do a better job.

In September 1995, the Institute graduated its first class of 12 from Canada's only Disability Management university-level certificate program. The program is offered through a partnership agreement with the University of British Columbia's Continuing Education Department.

The course trains people to manage the re-integration of disabled workers. Students were drawn from worksites with joint labour-management committees and programs. The first graduates, from labour and management, were enthusiastic about the benefit that their organizations would derive from their new skills.

The Institute also sponsors seminars and workshops across Canada on disability management issues, and has a growing clientele in fee-for-service consulting to workplaces who want to develop reintegration strategies.

In September 1995, the Institute obtained a licence to develop "REHADAT Canada," based on a German CD-ROM information system for employers, unions, government agencies, insurance carriers and rehabilitation providers. REHADAT Canada's first-phase databases will include technical aids, case studies and research studies. Later, they will include much more: addresses of institutions supporting reintegration, bibliographies, training information, media materials and legal documentation. The development of REHADAT cost the German government in excess of \$25 million, so substantial contributions will be needed for the development of REHADAT Canada.

Canadian governments, employers and unions support the Institute by serving on its board of directors, and by donating dollars. They have contributed to an endowment fund that now tops \$6 million. At the same time, an international committee of experts advises the Institute on all aspects of its mandate. That is a 2-way street: members of the committee apply

lessons from the Institute's work to help their own countries' programs.

Brian Payne is quick to point out that the battle for reintegration isn't yet won. "We've had a lot of success at shaping upper level union leaders' views about disabilities, but it's still tough at individual workplaces. It's complicated. Some workers still look at the process as taking away jobs; employers question whether their bottom line benefit costs will come down. Where significant downsizing has happened, getting injured workers back on the job can be almost impossible."

Payne and Lawrie trace ever-increasing corporate and union backing for the Institute to changes in attitude, and to hard number crunching:

- a recognition that injured workers who aren't reintegrated will eventually have their benefits cut;
- a growing understanding that the workplace modifications needed to support reintegration are relatively minor, and, given new technologies, not particularly expensive;
- research that shows clearly that the costs of **not** reintegrating workers with disabilities are enormous, both to individual companies and the whole Canadian economy.

Lawrie points to the Institute's practical role. "It responds to a need in the marketplace for programs and training on reintegration. The 'partners' have made sure that there's never a 'win' at the expense of anyone. It has value for all of us: employees, unions, government and the companies. We've also resisted the temptation to accept support when it had strings attached, and been true to the Institute's mission – practical research, and practical training."

Has co-operation on reintegration affected labour relations in the forest industries? "A little bit," says Pete Lawrie. "Working together is always an option to solve problems that arise at the bargaining table. If the people on both sides have confidence that working together can help, they'll use that option more often. In these kinds of initiatives, organizations can't help but find out a lot about each other, and that better understanding has a value too."

Wolfgang Zimmermann confirms that there's much to be done. "With global competition and tons of external pressures on the economy," he says, "it will be more

and more essential that we reduce the costs associated with disabilities." He notes that Canada still has "exceedingly weak reintegration legislation" and highlights current statistics that show that, in Canada, only one-half of injured workers will ever work again.

Mystery at the Factory – Centrale des syndicats démocratiques [confederation of democratic unions] and Inglis Ltd.

In the spring of 1994, the Centrale des syndicats démocratiques (CSD) released *Mystère à l'usine* [*mystery at the factory*], innovative literacy training software designed for workers experiencing difficulty in understanding written material.

The upheaval caused by the globalization of markets has taken many complex forms, but according to Claude Gingras, President of the CSD, the most difficult obstacle facing companies in the process of change is that created by technological advances. "A survey of our workplaces revealed that the ability to assimilate new technology is the main stumbling block encountered in workplaces in transition."

In fact, the reorganization of work methods and introduction of new technological tools are often hindered by the fact that many employees lack basic skills. The CSD estimates that some 30 per cent of the approximately 58,000 workers it represents are functionally illiterate, that is, they have difficulty understanding written instructions or doing basic arithmetic and mathematical conversions. In some workplaces, the percentage is even higher.

"We needed to find a way to remedy these serious shortcomings while at the same time providing our members with a stepping stone toward general education," explained Gingras. The existing training tools were not satisfactory and so it proved necessary to start from scratch and develop a tool adapted to the workers' special needs.

With the help of a team of experts, interactive software in the form of an adventure game was developed. *Mystère à l'usine* comprises 140 hours of reading, writing and arithmetic exercises that culminate in the solving of a mystery. The program is divided into eight "balloons" or units aimed at teaching the basic concepts of numeration and French, such as simple sentence structure, punctuation and reading comprehension. On an even more practical level, learners can familiarize

themselves with the information found on a pay cheque or a Commission de la santé et de la sécurité au travail (CSST) [Quebec health and safety board] compensation claim form.

"Mystère à l'usine provides users with basic knowledge while enabling them to develop thinking skills that will allow them to get the training that is very often required in order to obtain or keep a job," stated Gingras when the software was initially released. The software, which has won a "Mérite du français" [French language merit] award in the work category from Quebec's Office de la langue française [French language board], not only helps learners to acquire French and arithmetic skills, but is also designed to foster the development of thinking skills.

The literacy and general education needs identified by the CSD confirmed the existence of a problem that had already been noted throughout the industrial milieu in Quebec. "This software meets current needs," confirmed Jean-François Boulet, Director of Human Resources at Inglis Ltd., a manufacturer of household appliances in Montmagny, near Quebec City.

The average level of schooling of employees at the Inglis plant is between nine and ten years, and 15 per cent of the 370 employees are in need of some degree of literacy training. An internal survey conducted a few years ago revealed that a large number of employees needed to upgrade their basic knowledge of French and mathematics. In the department where sheets of steel used in the manufacture of appliances were cut, several employees did not have the necessary skills to take accurate measurements. Some employees were unable to keep written records of calibrating discrepancies that occurred in the manufacture of certain parts, as required by the employer. Worse still, employees were missing out on opportunities for promotion because they were afraid they would have to do a lot of paperwork.

Attempts were made to help such employees to upgrade their knowledge and skills by sending them back to school, but the approach was of limited use because of the wide diversity of needs to be met. As pointed out by Boulet, psychological factors must also be kept in mind. "It is not easy to send employees back to school on a full-time basis. It brands them, and is a blow to their ego. Workers often see training as a threat, and they read a lot into any talk about it," explained Boulet. In addition to not stigmatizing workers and allowing them to proceed at their own

pace, *Mystère à l'usine* provides the flexibility that is absolutely essential in a literacy training context.

Inglis, like some 15 other Quebec companies, including Agropur and Weston Bakeries, agreed to take part in the validation process for the software when it was being developed. According to Claude Gingras, all eyes at that time were on Weston Bakeries as it underwent radical changes, going from an ancient plant in which all bread making operations had been carried out manually, to a fully mechanized and computerized environment. Some 15 Weston employees were freed from their regular duties to test the software, and the Syndicat des employés d'usine de Weston [Weston plant workers' union] assumed the costs for the reassignment of two employees, who were provided with training for trainers. Inglis also participated in the validation of the different "balloons" or units of the software program, and an employee was freed from his regular duties to receive two days of training for trainers.

How was the software received by employers involved in the project? "With a great deal of open-mindedness and interest," Gingras reported with satisfaction. Although the training is adapted to employee needs, Boulet expressed concern that the training tool itself might prove somewhat daunting. "My greatest fear is that the technology itself will create problems for the learners. You can't expect an illiterate person to know how to load a computer system." But the CSD plays down such fears, pointing out that the trainers are there to work with the learners, to help them overcome any such obstacles. Moreover, the fact of finding that they can successfully work with a computer gives beginners enormous satisfaction and enables them to at least partially overcome their fear of technology.

The 15 employers that participated in the validation of this learning tool will have to wait until next June before they can make it available to their employees. After the software was initially released in 1994, it was found that there were computer compatibility problems in the workplaces. "Our greatest disappointment was to see the decline in Macintosh technology," conceded the president of the CSD. In fact, this technology, which had seemed the best medium for this interactive software at the start of its development six years ago, has proven incompatible with the computer environments available in the plants.

As a result, after some \$450,000 had been invested in developing the software, it was necessary to modify

the software to adapt it to IBM technology. By the time the new Windows version of the software is officially released in the near future, an additional \$400,000 will have gone into the project. In order to acquire the additional funding, the CSD entered into agreements with federal bodies such as the National Literacy Secretariat and Human Resources Development Canada, which contributed a large portion of the financing. Quebec's ministère de l'Éducation [ministry of education], the Commission de santé et sécurité au travail [Quebec occupational health and safety board] and the Société québécoise pour le développement de la main-d'oeuvre [Quebec labour force development corporation] also provided financial support at various stages of the project.

At Inglis, the use of the *Mystère à l'usine* software will be integrated into a knowledge upgrading and personal training program that is already well under way. It is expected that the software will be promoted through the union and internal newsletter. A computer room will be placed at the disposal of employees, for use after their shifts.

Although the company recognizes the importance of personal and job training and the positive role which software such as *Mystère à l'usine* can play, Boulet indicated that these are merely transitional measures.

People applying for a job with Inglis today are required to have a secondary school diploma (fifth year of secondary school), something which only one-third of Inglis' current workforce possesses, and it is anticipated that, within a few years' time, a diploma of collegial studies will be required. Inglis is a subsidiary of the American Whirlpool Corporation and nearly 30 per cent of its production is intended for the American market. According to Boulet, the top-of-the-line products manufactured for this market are making it necessary for Inglis to recruit an increasingly high calibre of employees. In order to maintain its competitiveness in this market, Inglis will need to hire workers with solid skills. As earnestly explained by Boulet, "It will be like moving from a Pee-Wee hockey league to the NHL."

The CSD remains a strong believer in the value of training programs such as *Mystère à l'usine*. Literacy training is seen as part of the answer to the challenges posed by globalization, first through the training which such programs provide, but also through the partnerships to which such programs may give rise within workplaces. With this in mind, the CSD will make the new Windows version of the software available to as many CSD and other workers as possible when it is released next June, and hopes that an English version, which is to be released at the same time, can be distributed throughout North America.

LABOUR PROGRAM ACTIVITIES IN WORKPLACE LEARNING

Sandra Chatterton, Senior Policy Advisor
Strategic Policy and Partnerships
Labour Program, Human Resources Development Canada

This article provides an overview of the new initiatives of the Labour Program, Human Resources Development Canada (HRDC) in the area of workplace learning.

The Labour Program's involvement is a direct result of the National Forum on the Information Highway and Workplace Issues held February 21st and 22nd 1997, in six sites across Canada.

Participants to the National Forum represented three major sectors: organized labour, employers, and governments. The National Forum discussions dealt with the major implications of the introduction of information technology on the workplace, but the issue of workplace learning was the issue unanimously supported by both unions and employers.¹ Participants to the National Forum asked to be kept informed of new initiatives, and many expressed an interest in participating in related developments taking place at HRDC.

The Labour Program is currently collaborating on three projects dealing with workplace learning, specifically focusing on the role of organized labour. These projects are:

- The development of *CanLearn Interactive* as a tool to assist workers and employers develop learning plans;
- The pilot testing of *CanLearn*;
- A study to illustrate the role played by unions in the provision of workplace learning, in collaboration with the Canadian Labour Congress.

In early 1998, the Labour Program was invited to participate, in an advisory capacity, in the *CanLearn Interactive* Internal Reference Committee, an

Intradepartmental Committee of HRDC, that would provide advice to the development of *CanLearn Interactive*, an Internet-based program to assist Canadians access learning information.

CanLearn Interactive

CanLearn Interactive is an Internet-based one-stop resource for learning information, products and services that is scheduled to be up and running July 1st 1999. *CanLearn* is designed to respond to the growing need in Canada for a one-stop source of information, and Canadians will be able to find all kinds of information about learning opportunities and financial assistance, plus help in planning their learning strategies. *CanLearn* is more than a passive database. It will enable users to interact with the information and design their own learning plans.

The current lack of readily accessible information has made it difficult for lifelong learners to make truly informed decisions about their learning goals and how to achieve them. *CanLearn* will provide access to a wide range of information, but also to planning tools that can help workers assess the vast array of learning possibilities in relation to their personal interests, career goals, and financial resources.

As a member of the Internal Reference Group, the Labour Program raised the issues of involving organized labour during the development planning of the *CanLearn*; and, ensuring that *CanLearn* would be connected to the learning information available on the websites of organized labour. Several questions were then posed by HRDC programs: what was the role of unions in workplace learning, do unions have or maintain websites containing learning information. In addition, the question was also raised about workers' access to the Internet.

¹ "Unions and businesses support the training and education of workers to preserve jobs, and to improve the adaptability of workers." *Collective Reflection on the Changing Workplace: Report of the Advisory Committee on the Changing Workplace*. June 1997. Human Resources Development Canada, pp. 210

CanLearn Interactive Consultation with Organized Labour

To aid in the development of *CanLearn*, a small consultation meeting was held with representatives of organized labour to determine:

- What uses of *CanLearn* do you see for your members and clients?
- What barriers do you foresee?
- What idea/suggestions do you have?

Some of the key points raised were:

- union sponsorship of training should be included in the *CanLearn* Website;
- while many union members can't use this type of technology now, it will eventually happen;
- *CanLearn* needs to include clear information on the level of accreditation so workers know they are taking legitimate courses;
- union members can use the technology to respond to an issue in their workplace (such as literacy) on behalf of others;
- *CanLearn* developers need to think of collective users as well as individuals.

Perhaps the most important view presented was this last point – the potential for *CanLearn* to be used for a collective approach to learning, rather than the individual focus originally given to the *CanLearn* during its inception.

Project with the Canadian Labour Congress

In 1998, the Canadian Labour Congress (CLC) received HRDC support to develop a National Workplace Training Strategy over the next two years. The objectives of the CLC project are: to provide

technical support to the CLC's affiliates, provincial labour federations and local labour councils in building their capacities to develop policy or programs and partnerships at the provincial level; to facilitate ongoing information sharing, networking and partnership building; and to conduct research and analysis of both public and labour training policy and programs.

As both the Labour Program and the CLC were interested in determining the scope of union sponsored workplace training, during the summer of 1998, the Labour Program and the CLC cooperated on a study of major unions. Union sponsored workplace training was defined, for the study, as unions or other labour organizations, having control (that is at least 51 per cent) over the content and the training itself. For the study, union training and education (such as steward training, union history) was not included. Included were:

- basic skills such as literacy, numeracy, ESL/FSL, and computer training;
- employment services such as employment counselling, upgrading of skills (especially for workers laid off or facing layoffs);
- apprenticeships.

Some of the major questions of the study are:

- Does your union offer or sponsor workplace based training?
- Does your union have a training centre? (how many, how does it operate)
- Do you have a director of training?
- Do any of your programs fall into one of the three categories (listed above) or others not noted?
- A brief description of course(s) offered?
- Who delivers the training? (i.e., union, public or private institutions)
- Do you have a web site containing information on workplace training?

The 1999 Spring Issue of the Workplace Gazette will provide an update on these three projects. If readers would like additional information, please contact Sandra Chatterton, Senior Policy Consultant, Labour Program, HRDC at (819) 994-4522.

DEVELOPING A TOOL TO MEASURE THE IMPACT OF WORKPLACE INNOVATIONS

*Derwyn Sangster and Chris Parsley
Canadian Labour Market and Productivity Centre*

1— Introduction

This article describes the development by the Canadian Labour Market and Productivity Centre (CLMPC) of an instrument to measure the impact of innovative workplace practices on operational performance in workplaces. As the material in the *Workplace Gazette* testifies, there are a large variety of workplace innovations. At the same time a vast literature exists on the different practices that have been introduced in workplaces in many industrial countries.

As important as these innovations are to ensure the companies' economic survival and improving working conditions for workers, it is also important to have an instrument that can measure the impact that such changes can have in the workplace. From research on workplace change carried out by the CLMPC, the existence of such a tool, while recognized as important among the different work sites, is largely absent in Canadian workplaces.

The ability to measure the impact of innovative practices is important at the workplace level in order not only to evaluate how successful a program has been but also where they have had an impact. On a broader level, there is a genuine research interest in identifying workplace practices that have had positive impacts on performance. One may want comparative measurements of impacts across different firms or for the same firm across different time periods. Developing an instrument to measure these impacts will involve a common methodology with some specific differences between an inter-firm or inter-temporal comparison. Once developed, the instrument, or Impact Profile as it is referred to here, can be of practical use to workplace parties by allowing them to monitor the progress of innovative practices.

The Impact Profile is also important in industrial relations. The specific elements of the instrument in a particular workplace can be designed by both business and labour. In this way the Impact Profile is both useful and important to the parties. This in itself can be an important builder of good industrial relations.

Furthermore the results from a jointly determined Impact Profile provide an unbiased measure of the impacts of workplace practices that both parties find acceptable. The importance of this commonly accepted measure thus helps to place workplace industrial relations on a sound footing and can serve to promote more jointly determined activities and practices. Joint activities of labour and business is of particular interest in the work of the CLMPC.

With financial support from Human Resources Development Canada (HRDC), the CLMPC has recently completed the feasibility phase of developing an Impact Profile for use in workplaces. As well as incorporating measures of interest to both business and labour, a further challenge was to develop an Impact Profile that could be applicable in both manufacturing workplaces and service workplaces. This short article describes the process of developing the Impact Profile and the results of some preliminary testing.

2— Development Process

The process of developing a generic Impact Profile involved four distinct phases.

- An initial version was developed and presented to the business, labour and government members of the CLMPC Board of Directors who provided several comments and suggestions.
- A literature review was undertaken to determine the important theoretical issues in attempting to assess the impact of workplace practices on operational performance. The review also examined the methodologies and findings of the different studies, most of which were American and most often in manufacturing.
- Expert practitioners and academics that specialized in workplace issues were asked to comment on a revised version of the Impact Profile,

provide input on both the theoretical and the practical issues of developing such an instrument and also to identify possible workplaces for testing.

- A final revised prototype of the Impact Profile was tested in a small number of work sites.

This process provided much important information necessary for developing the Impact Profile.

From the literature review there was no study that the authors were aware of that tried to incorporate both labour and business perspectives into a measurement tool. Studies for the most part relied on a narrower set of measures than was envisaged for the Impact Profile.

Generally the literature – which adopts various approaches from human resources, industrial relations, and labour economics – found that the introduction of new workplace practices was positively correlated with improved performance. However, this does not necessarily mean that the improved performance is due to new workplace practices.

Comments from the consultation phase reinforced these findings. They also confirmed our view of the value of developing an instrument to measure the impact of innovative workplace practices.

3 – Theoretical and Practical Issues

The consultations and literature review also highlighted a number of practical and conceptual issues to be considered. The more important among these are briefly described.

- **Causation between Workplace Practices and Performance:** The literature assumes that practice influences performance and hence profitability. But the positive correlation found between workplace practices and performance only suggests a causal relationship – it does not definitively prove the direction of causation. For instance, performance can influence practices if highly profitable companies are able to better afford the up-front costs associated with new workplace practices. Conversely, the observed performance impacts could be the result of other factors, negating any causal relation between practice and performance. Thus, it is very difficult, if not impossible to conclusively prove the direction of causation and this is not the principal purpose of the Impact Profile.

- **Linkages between Workplace Practices and Performance:** In the literature a mechanism is presumed between workplace practices and performance based upon the sheer preponderance of empirical evidence suggesting this to be true. However the linkages between them have not been precisely specified in a measurable model. Neither does this seem possible given the subjectivity of some of the suggested mechanisms, such as motivational impacts on employees and managers following new work practices or better informational flow in new organizational structures following new workplace practices. The Impact Profile is designed to shed light on the various mechanisms or linkages between workplace practices and performance through its use of a case study approach. It also uses a mix of both qualitative and quantitative questions to examine practices at a fine level of detail.

- **Definition of Innovative Workplace Practices:** To provide a list of innovative workplace practices that can be used by the workplace participants, the notion of “innovative” needs to be defined in terms of the organization. Companies do not need to be trying the “latest thing”; rather the Impact Profile is concerned with workplaces where practices have changed. This is particularly important when examining the inter-temporal effect of workplace practices. There are several different schemas for listing workplace practices in the literature. The most important concern is that such a list has meaning for the workplace parties.

- **Macro Influences and Impacts:** Macro factors can clearly influence the behaviour at the micro level. At the same time, new workplace practices can have an impact on some variables that extend beyond the workplace. Many studies from the literature attempt to incorporate these effects into an econometric equation. The value of including macro influences and impacts needed to be assessed.

- **Differences in Performance Measurements:** One of the major challenges in developing an Impact Profile for the service sector was that different performance measures were evident, even within the service sector e.g., hospitals have different performance measures than do police departments. These differences refer not just to different notions of “output” between manufacturing and service workplaces, but also to different measures of quality and productivity across different industries. This

makes inter-sectoral comparisons across workplaces very difficult.

- **Defining a Workplace:** In defining a workplace, it is desirable to capture an area with common practices. This means the definition of a workplace is not necessarily a physical location. In cases where only certain parts of an organization have introduced innovative work practices e.g., a department, then, where data is available for that department, this would constitute the workplace for the purposes of the Impact Profile. It is therefore possible to conceive of two different workplaces in the same organization at the same physical location, but which have adopted different workplace practices. Consequently careful consideration has to be given to the notion of the workplace.
- **Definition of Time Periods:** These also require careful consideration, especially for an inter-temporal Impact Profile. The appropriate time period between the introduction of new workplace practices and when performance impacts are manifested may be different across different workplaces. Furthermore, new workplace practices could be introduced successively over time, e.g., a new practice each year. This poses a problem in defining the necessary reference points for an inter-temporal Impact Profile.

All these issues were given careful consideration in the development of the Impact Profile prototype for testing. This prototype is now described. Causation is not dealt with.

4 — The Impact Profile in Outline

The Impact Profile had a number of elements that were of interest to both business and labour; these are shown in a table on the next page. The prototype tested reflects a number of decisions made regarding the procedure to develop the Impact Profile.

It was decided to restrict use of the Impact Profile initially to unionized work sites. This makes it easier to obtain input from labour on innovative workplace practices, since unions represent the voice of workers. It also avoids potential problems within non-union workplaces over who is the appropriate spokesperson for employees or different groups of employees. The large number of unionized workplaces still provides a

more than adequate sample in which to test the Impact Profile.

It was also decided, for comparative purposes, to concentrate on a number of firms in a given sector when the Impact Profile is fully applied. Thus inter-firm comparisons are possible within a given sector. This resolves the issue of different sectors and different industries having different performance measures. In the feasibility testing reported earlier in the text however, work sites were chosen from different sectors in order to properly assess the prototype Impact Profile in different settings.

It was also recognized that in order to ensure that performance measures capture the information sought, they should be developed in consultation with the workplace participants. This was an integral part of the testing phase of the Impact Profile and means that standard measures for a particular industry are used in the applicable workplaces.

A critical purpose of the Impact Profile was to examine practices at a much finer level of detail than many of the survey and econometric studies. The idea was that specific linkages between the development and application of workplace practices and the impacts on performance might therefore be more easily identifiable at the ground level. This was done through the use of both qualitative and quantitative questions. Such an approach, for example, makes it possible to cast some light on how the nebulous but ubiquitous notions of trust and commitment are manifested. Emphasis is thereby placed on the practicalities of workplace change rather than specifying a relationship in a general theoretical model.

It is important to note that the use of qualitative data has been subject to some debate in the literature. Some commentators have, either implicitly or explicitly, downplayed its value because it lacks the objectivity of quantitative evidence. To measure many variables of interest at the workplace level, there is simply no alternative to qualitative or perceptual data. Such data is of most value where it has a clear and relevant meaning to the managers and workers at the workplace level. Indeed, perceived data of operational performance has been found to be positively correlated with factual measures of performance (Jalette 1997a). Such findings indicate that qualitative data is less biased than may have previously been thought and that it is valid to use such data where other alternatives are not available.

Elements of the Impact Profile

General Area	Specific Measures
Workplace Profile	Financial measures Employment and related Training expenses Hierarchical levels Perceptions of quality of workforce
Work Organization Impacts	Supervisors ratio Self-Directed teams Gain-Sharing Frequency of crew meetings Perceived opportunities for employees in decision-making Perceived employee control over their jobs
Productivity, Quality and Innovation Impacts	Output per employee Wastage/scrap rates Delivery times Number of new products Perceived value of employees to workplace
Impacts on Morale	Absenteeism Lateness Stress Employee commitment to job Employee satisfaction
Impacts on Labour-Management Relations	Labour disputes Grievances Arbitrations Joint committees Information flow Perceived overall state of labour management relations
Impacts on Health and Safety	Accident Rates Compensation claims
Impacts on the Role of the Union	Extent of participation in workplace committees, day-to-day operations, planning and implementing changes

Another decision made was to eliminate use of macro measures. The responses from the consultation phase indicated that these variables (e.g., a company's stock price) were generally of less importance given that the Profile is really trying to capture the local effects of new workplace practices, not provide a set of equations to model macro influences. Participants do however have an opportunity in the Impact Profile to identify other influential factors, which could include macro variables.

The definitions used in the Impact Profile were refined through several iterations. The list of workplace practices, for example, was the result of the feedback from the consultation phase together with information from the literature review. The practices were identified and grouped into those changes that were considered structural or organizational changes, e.g., the development of teams; and those changes that were considered to be programs for human resources, e.g., peer appraisal.

The consultation phase also led to other refinements. In-house surveys that measure consumer and employee satisfaction were not viewed as independent and unlikely to be comparable across different workplaces. Accordingly these types of measures have been dropped. Both qualitative and quantitative measures were reworked and designed to have the appropriate verbal tags built into them in order to achieve consistency in responses across workplaces.

The process of eliciting responses from business and labour was also considered carefully. It was decided to interview both parties at the same time since this would provide the opportunity to ask supplementary questions of both if the interviewer felt that clarification was required. The risk that one may get differing viewpoints without any way of reconciling them in the common Impact Profile was thereby avoided. Furthermore, the likelihood that each party would have a different understanding of key practices and measurements would also be lessened. Only one of the parties usually answers the quantitative questions, but both union and management are asked for separate responses on the qualitative questions.

One final consideration was the length of the Impact Profile. The prototype Impact Profile is ten pages long, which was regarded as an acceptable length of survey that can still elicit meaningful responses. The aim was to have a concise number of measures that were sufficiently diverse to ensure that the effects of workplace change are captured, but did not result in a long survey where interest by the parties would probably be less.

5 – Testing Results

The revised prototype Impact Profile was tested in some workplaces to assess its feasibility and value. A fundamental aim was to test the accessibility of both current data and past data. Participants were asked, as much as possible, to provide current data for each of the measures in the profile, and the ease of accessing past data. This allowed an assessment, including lead times, of applying both inter-firm and inter-temporal Impact Profile in workplaces.

A second purpose was to determine how the respondents themselves valued this exercise. Would they be willing to participate in the application of the fully developed profile? Would they see the profile as useful as a monitoring tool in their particular workplace? This would also provide the researchers

with an idea of which workplaces could be considered for future study.

In all, four workplaces were selected. Two were in manufacturing or processing plants of large multi-plant companies and two service sites that had been part of the public or quasi-public sector. The workplaces were also chosen from different regions of the country and were selected based upon advice received from the consultation phase. In all four sites an expert practitioner who was familiar with the workplace and their innovative workplace practices actively assisted the research. While the sample was small, the diversity of these workplaces – in terms of both their activities and location – together with the very detailed and considered responses from the workplace participants has yielded much useful information.

Data accessibility was generally not a problem. There were some site-specific differences on how training budgets were made and how training statistics are kept, but generally data was relatively easily available. Past data was by and large available with sufficient lead time.

Workplaces often had different terms for the same workplace practice e.g., in one case the use of the term “teams” was explicitly avoided even though the team approach was clearly used. This suggests the description of practices needs to be discussed at length at the work site (rather than simply selecting from a given list of named practices).

Some common responses to the list of practices were that some terms were too generic and broad. The use of problem solving groups, for instance, was seen as allowing all types of different practices, which may not be comparable across workplaces even in the same sector. It may therefore be more appropriate to determine what means are employed to solve particular problems, be they day-to-day problems or more systemic ones. Similar conclusions were reached on information sharing activities.

Better definitions were sought over some of the workplace practices. For instance there were differences over the terms, cross training and multi-skill training. In addition, many respondents sought clarification of the term “high skill workforce”. Each workplace defined its notion of high skill a little differently. All these comments therefore suggest that more preliminary work needs to be done ahead of time in order that definitions are clarified so that participants in different workplaces share a common understanding.

There were, as expected, significant differences between the service workplaces and the manufacturing workplaces. Not unexpectedly, the most significant was in the different performance measures in terms of financial data. However the testing also revealed that different notions and measures of quality and productivity (including measures of waste), were evident across the different workplaces. This was true even in workplaces from different manufacturing industries. Again these differences reveal the need to undertake preliminary work to discuss the types of measures for output, productivity and quality, which were applicable to a set of workplaces in a sector. Developing such custom financial, productivity and quality measures would improve the potency of the Impact Profile. It also suggests that wholesale application of a generic Impact Profile without plant level discussions is limited.

All workplace respondents reported that they found the Impact Profile was a valuable exercise. In many cases, the questions stimulated other ideas and provided examples of where there were some gaps in the practices or programs at the workplace. It also allowed participants who had been intensively involved in the process of change, a chance to evaluate how far their workplace had evolved from the beginning of the change process.

In one workplace, which was only beginning to manage change in a joint fashion, it provided them with an opportunity to consider what sort of indicators they should be looking at as the change process progresses.

6 — Conclusion

The results from the feasibility testing are encouraging. It shows that the Impact Profile is a feasible tool that can be used in workplaces to measure the impact of innovative practices on performance. Some further refinements to the profile have been suggested in the testing but the basic approach seems to work well.

The testing also revealed that such an instrument is most effective when significant preliminary work in fine tuning the Impact Profile is done for workplaces in a given sector. This is an essential part of the process and involves the clarification of output and financial performance measures in service sector workplaces as well as particular measures of productivity, quality and innovation in a given sector.

The testing also demonstrated the value of a case study approach and a workplace based tool to assist both unions and management in measuring the impact of the changes they negotiate and implement. Specific linkages can be identified that broader surveys may miss. Furthermore workplace participants have input into the Impact Profile and therefore have an interest in making it of the most valuable use to themselves.

Having completed the feasibility phase, the CLMPC is intending to apply this Impact Profile to several workplaces in two or three sectors, in order to compare the impact of practices across firms in each of those sectors. The Centre will be encouraging both unions and companies to participate in this exercise, which can have significant implications for the industrial relations climate in workplaces.

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WORKPLACE CHANGE IN CANADA: UNION PERCEPTIONS OF IMPACTS, RESPONSES AND SUPPORT SYSTEMS*

Pradeep Kumar
Professor, School of Industrial Relations
Queen's University

Gregor Murray
Professor, Department of Industrial Relations
Laval University

Sylvain Schetagne
Independent Trade Union Researcher
Montreal

Workplaces in Canada, and elsewhere in the Organization for Economic Co-operation and Development (OECD) countries, have experienced a wide variety of changes over the past two decades.¹ Pressures for change are numerous and varied. They include: (1) management's quest for cost efficiency and flexibility to respond more effectively to changes in the economy, labour markets and public policy; (2) the increasing emphasis on product and service quality; (3) growing workforce diversity with varying worker needs and aspirations; and (4) the popularity of a new system of human resource management, oriented towards "high performance organization" and inspired by the ideology of lean production. While downsizing has been the most visible manifestation of change,² management attempts to rationalize work processes and structures have also led to increased emphasis on flexible work rules and scheduling, job consolidation, multi-skilling/multi-tasking, employee involvement in decision-making through

"self-managed" teams and problem solving groups, greater information sharing, expanded training opportunities and "cooperative" labour-management relationships to foster a "participatory organizational culture." Although the nature, scope and pattern of change have been diverse, there is growing evidence that "once a protected habitat offering a measure of prosperity in exchange for a lifetime of dedicated work", workplaces of today are becoming increasingly lean, insecure, stressful, unsafe and highly controlled.

The management obsession with efficiency and flexibility, and the climate of uncertainty and insecurity associated with workplace change pose both threats and new opportunities for unions.³ The successive waves of downsizing in both large private sector corporations and the public sector, the increased emphasis on outsourcing/contracting-out, and the expanding use of temporary and part-time work are eroding the organizational and bargaining strength of

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¹ There is now a massive literature on workplace change. For a summary of Canadian literature see Kumar (1995a), Statistics Canada (1998), Betcherman *et al.* (1994) and feature articles and collective bargaining updates in *Collective Bargaining Review* (1995-97) and *Workplace Gazette* (1998). The U.S. literature is summarized in Cappelli *et al.* (1997) and Appelbaum and Batt (1994). The workplace change and its impacts in OECD countries are highlighted in Locke, Kochan and Piore (1995) and Human Resources Development Canada (1997).

² See Conference Board of Canada (1997) and Statistics Canada (1998). Downsizing has been particularly pronounced in the public sector and in large firms. See Clark (1997), and Kumar, Murray and Schetagne (1998).

³ See Kumar (1995b) and (1995c), Smith (1995), Nissen (1997), Juravich (1998), Richardson (1998), and Lazes and Savage (1996).

the unions. Similarly, growing employer demands for concessions in wages, benefits and work rules are straining the ability of unions to effectively represent their members in defending and advancing worker rights and promoting social justice, equity and fairness in employment. On the other hand, union involvement in change initiatives has the potential to expand their independent role and functions in the workplace and to gain influence at the strategic levels of business decision-making. Thus, regulating the pace and nature of workplace change has emerged as one of the greatest challenge facing unions. The phrase "unions live and die in the workplace" is no longer a cliché. Unions' survival, and their prospects for renewal, are now closely linked to whether they are reactive or pro-active in their strategies.

While there has been considerable analysis of the nature and scope of workplace change, and their effects on workers and firm performance, much less is known about how the change has impacted unions, what has been their response, and what kind of strategies, policies, and support systems they have put in place to deal with the change process?⁴ One of the purposes of the *Survey of Innovations and Change in Labour Organizations in Canada*,⁵ conducted by the Workplace Information Directorate of Human Resources Development Canada (HRDC) in 1997, was to explore the nature and impacts of workplace change and the strategic policy and support systems of unions in Canada to facilitate the change process. The exploration was based on the premise that to effectively regulate the pace and nature of workplace change, unions need to develop a network of policies and support systems to inform, guide and coordinate the activities of their locals – the locus of negotiations in North American setting.⁶ The support systems are considered an essential part of a pro-active union strategy to exert strategic control and coordination over the change process, and a key instrument to drive the union agenda for a positive workplace change that benefits the membership,

improves the work environment, and strengthens the union. The survey asked respondents about their perceptions of the incidence, nature, sources, methods of implementation and impacts of workplace change initiatives over the previous three years. Information was also sought on union policies and such support systems as education, research, communications and technical help for negotiating workplace change.

This paper presents highlights of the survey results on union perceptions and responses to workplace change initiatives. It first examines the incidence and nature of workplace change experienced by the union organizations participating in the survey, then considers the impact of these changes before looking at the union responses and support systems. The survey results confirm the widespread incidence of change in both public and private sectors and among small and large unions. The survey also reveals both positive and negative impacts of change on workers and unions, and a diverse pattern of union policies and support systems to deal with change initiatives.

Incidence and Nature of Workplace Change

Workplace change appears pervasive across Canada, according to the survey results. When asked "over the past three years, has your union been faced with any workplace change/work reorganization initiative?", nearly 9 out of 10 respondents (88.9 per cent) answered in the affirmative (Chart 1). There was very little variation in union response by sector and membership size. The survey also revealed that change initiatives frequently involved negotiations with management. Over one-third reported negotiations "most of the time" (37.5 per cent) and more than one-half (54.2 per cent) "some of the time." Less than 10 per cent (8.3 per cent) indicated that they were never involved in negotiations over workplace change initiatives (Chart 2).

⁴ See Kumar (1995c), Murray *et al.* (forthcoming), Levesque *et al.* (1997), Frost (1997), Bourque and Rioux (1997), Wright (1995), Lapointe and Paquet (1994), *Collective Bargaining Review and Workplace Gazette*. Also see Walton, Cutcher-Gershenfeld and McKersie (1994) for a theory of negotiated change.

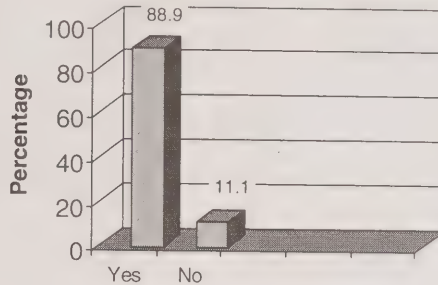
⁵ See Kumar, Murray and Schetagne (1998) for the survey sample, methodology and survey response. In brief, the survey was completed by 99 of the 269 labour organizations in Part I of the *Directory of Labour Organizations in Canada*. These 99 labour organizations represented 2.344 million members, roughly 59.9 per cent of union members in the sample population. An overview of the survey results is available from the Workplace Information Directorate of HRDC.

⁶ See Szapiro (1996).

Chart 1

Incidence of Workplace Change Initiatives (n=90)

"Over the past three years has your union been faced with any workplace initiative(s)?"

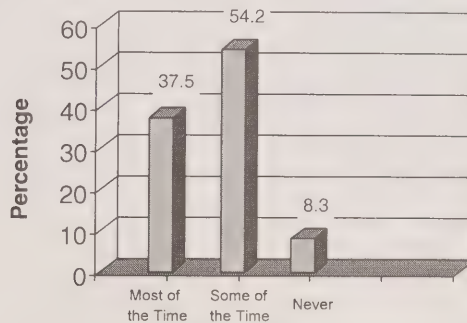


n=number of respondents

Chart 2

Frequency of Negotiations over Workplace Change (n=72)

"Did workplace initiatives involve negotiations with management?"



n=number of respondents

The survey results show that downsizing/restructuring was the most common and pervasive workplace change initiative faced by unions (Table 1). One-half of the respondents stated that workplace change initiatives involved downsizing/restructuring "most of the time". Another two-fifths (41.5 per cent) cited downsizing as a part of the change "some of the time." Only a handful (7 out of the 82 union respondents) reported that downsizing was not involved in the change initiative.

Other workplace change initiatives faced by a majority of unions, either most of the time or some of the time, involved changes in job classification or job tasks, the introduction of new technology, team or group work, changes in work scheduling, outsourcing/contracting out, and the introduction of continuous improvement/TQM/ISO standards. Programs involving contingent compensation, such as profit sharing, knowledge-based pay and employee stock ownership, were the least common change initiatives, reported by a little over one-quarter of the unions surveyed, mostly private sector unions. Indeed, except for downsizing/restructuring which was common across all unions, private sector unions were more likely than

Table 1
Nature of the Change Initiatives

		Most of the Time (%)	Some of the Time (%)	Never (%)
Restructuring/downsizing	(n=82)	50.0	41.5	8.5
Changes in job classification/job tasks	(n=84)	29.8	53.6	16.7
Introduction of new technology	(n=82)	23.2	53.7	23.2
Outsourcing/contracting out	(n=79)	17.7	49.4	32.9
Introduction of a continuous improvement/TQM/ISO standards	(n=80)	16.3	40.0	43.8
Introduction of team/group work	(n=81)	16.0	53.1	30.9
Changes in work scheduling	(n=82)	14.6	65.9	19.5
Profitsharing/knowledge-based pay/employee stock ownership	(n=79)	3.8	24.1	72.2

n=number of respondents

public sector unions to report initiatives involving technological change, team or group work, and outsourcing and contracting out. The initiatives were generally inter-related and were associated with increased downsizing and management emphasis on cost reduction. These survey results suggest that workplace restructuring in Canada more typically concerns strategies to restructure jobs and reduce staffing in order to integrate new technologies and reduce costs. In other words, there is very limited evidence of the currency of purported "best practice" or "high performance" models of human resource management entailing enhanced employee participation and/or gainsharing.⁷

We also asked respondents who initiated the change and whether their local leadership and National Office supported the initiatives. Almost all the unions (97.6 per cent) stated that they were primarily management initiatives either most of the time or some of the time (Table 2). Again, there was little variation in union response to the question by either sector or size. A majority of unions also indicated that sometimes the change was also initiated by the union either independently or jointly with management.

The survey results show that unions did not resist the change initiatives. However, they did not provide unreserved support either. Roughly one-fifth of unions actively supported these initiatives most of the time (see Table 2). An overwhelming majority of respondents stated that their local leadership (66.2 per cent) and national office (60.6 per cent) actively supported the initiatives "some of the time." About 16 per cent of unions stated that they never actively supported such initiatives. The lack of support was more frequent in public sector unions and in small union organizations with less than 1,000 members. The virtual absence of resistance to workplace change is indicative of Canadian unions' pro-active orientation towards change and their desire to get involved in the change process to protect and advance worker interests more effectively. As we pointed out in our earlier paper in this journal (Kumar, Murray and Schetagne 1998), promoting worker participation in decision-making is an important organizational priority of unions in Canada.

⁷ On this point, see also Betcherman *et al.* (1994 : 53) who estimate that 70 per cent of firms might be classified as engaging in traditional HRM practices, 18 per cent focus on more participative models and 12 per cent on the extrinsic aspects of compensation policy. See also Statistics Canada (1998).

Table 2
Source of the Initiatives

		<u>Most of the Time</u> (%)	<u>Some of the Time</u> (%)	<u>Never</u> (%)
They were primarily management initiatives	(n=83)	75.9	21.7	2.4
They were joint union-management initiatives	(n=82)	6.1	67.1	26.8
They were union initiatives	(n=83)	10.8	51.8	37.3
Local leadership supported them actively	(n=74)	17.6	66.2	16.2
National office supported them actively	(n=66)	22.7	60.6	16.7

n=number of respondents

The survey queried unions on how workplace change initiatives were implemented. The respondents stated that while unilateral implementation by management was a dominant pattern, implementation following consultation with the union was frequent. Nearly two-fifths (39.0 per cent) of the unions surveyed indicated that initiatives were implemented by management unilaterally most of the time (Table 3). Almost one-half (47.6 per cent) said they were

unilaterally implemented some of the time. Only 13.4 per cent were of the opinion that initiatives were never implemented unilaterally. Unilateral implementation was less common in the public sector than in the private sector, partly reflecting the high rates of unionization among public sector workers. The survey also showed that unilateral implementation by management was more likely in situations where union bargaining power was reported to have

Table 3
Methods of Implementation of Change

		<u>Most of the Time</u> (%)	<u>Some of the Time</u> (%)	<u>Never</u> (%)
Unilaterally implemented by management	(n=82)	39.0	47.6	13.4
Implemented by management after consultation with the union	(n=88)	26.1	67.0	6.8
Implemented through modification of the existing collective agreement	(n=83)	18.1	48.2	33.7
Implemented following negotiations outside the existing collective agreement	(n=85)	22.4	62.4	15.3

n=number of respondents

weakened over the three years preceding the survey. Unilateral implementation was also associated with moderate to significant increases in union-management conflicts.

Figures in Table 3 suggest that union-management consultation over workplace change implementation was also recurrent. Implementation of initiatives after consultation with the union was cited "most of the time" by over one-quarter (26.1 per cent) of the union respondents, and "some of the time" by over two-thirds (67.0 per cent) of the unions. Only 6.8 per cent of the unions indicated that they had no input on the implementation of the change initiatives. The survey results also show that workplace change initiatives are more likely to be implemented following negotiations outside the collective agreement than through modifications of the existing collective agreement. However, a majority of respondents (58.2 per cent) indicated that when initiatives were implemented following negotiations outside the collective agreement they were subsequently incorporated into the collective agreement.

Impacts of Workplace Change

The survey asked unions to evaluate the impact of workplace change on workers, work environment, and the unions themselves. The responses reveal a mixed pattern of both positive and negative effects with some variations by sector and union size.

A majority of respondents stated that workplace change has led to a decline in worker confidence in management, a reduction in the job security of their members, and a deterioration in the quality of work life of workers (Table 4). The responses confirm the findings of other studies (Statistics Canada 1994; Lewchuk and Robertson 1996 and 1997; Lewchuk 1997; Lévesque *et al.* 1996) and results of the HRDC survey on the effects of the changing union environment on workers and the work environment (Kumar, Murray and Schetagne 1998).

The survey responses further indicated that the decline in worker confidence in management and job security was more pronounced in the public sector compared with the private sector. Similarly, a much higher proportion (76.8 per cent) of smaller unions, with a membership of less than 10,000 workers, reported a decline in worker confidence in management than the larger unions (57.7 per cent). On the positive side, between one-third and two-fifths of the unions surveyed stated that worker confidence in the union, worker influence on the job, union influence in the workplace, and union-management cooperation had increased as a result of workplace change. There was very little variation in union responses by sector and size on most of these indicators. The only exception was the increase in worker influence on the job which was cited by a much higher proportion (47.1 per cent) of private sector union respondents than those in the public sector unions (23.4 per cent). While workplace change often entails quite contradictory implications for many unions and workers

Table 4
Impacts of Workplace Change on Workers and the Work Environment

		Increase (%)	No Change (%)	Decrease (%)
Worker confidence in management	(n=82)	4.9	24.4	70.7
Quality of work life of workers	(n=82)	14.6	20.7	64.6
The job security of members	(n=80)	15.0	28.8	56.3
Union influence in the workplace	(n=81)	42.0	30.9	27.2
Worker confidence in the union	(n=81)	33.3	43.2	23.5
Worker influence on the job	(n=81)	33.3	38.3	28.4
Union-management cooperation	(n=82)	34.1	36.6	29.3

n=number of respondents

in all sectors, there appear to be greater opportunities to expand worker and union influence in the private sector. In contrast, decreased worker confidence in management and decreased job security are the dominant traits of workplace change in the public sector.

Impacts of workplace change on unions have been similarly diverse, judging by the survey results. A majority of unions surveyed indicated that workplace change initiatives have significantly strained union resources and heightened the need for expanded rank and file communication (Table 5). More than four-fifths of the survey respondents also expressed the opinion that workplace change has led to a modest

or significant increase in rank and file activism and reinforced the need for more education and research, diverted attention from organizing and other day-to-day union activities and created an atmosphere of crisis. Nearly three-fourth of the unions surveyed suggested that the change initiatives have created significant or modest pressures within their union to formulate an independent agenda on workplace change. A majority of unions similarly indicated that workplace change initiatives have been a modest to significant source of tension between members and local leadership and have adversely affected solidarity between bargaining units. A few unions also cited change initiatives as a modest to significant source

Table 5
Effects of Workplace Change Initiatives on Unions

Workplace change initiatives have:		Significant (%)	Modest (%)	None (%)
Emphasized the need for expanded rank and file communication	(n=89)	57.3	39.3	3.4
Strained union resources	(n=86)	50.0	37.2	12.8
Reinforced the need for education and research	(n=87)	49.4	35.6	14.9
Created an atmosphere of crisis	(n=86)	43.0	39.5	17.4
Diverted attention from organizing and other day-to-day union activities	(n=85)	41.2	44.7	14.1
Created pressures to formulate an independent union agenda	(n=86)	31.4	45.3	23.3
Led to greater rank and file activism	(n=89)	24.7	65.2	10.1
Been a source of tension between members and local leadership	(n=87)	12.6	50.6	36.8
Been a source of tension between locals and National Office	(n=77)	10.4	28.6	61.0
Decreased solidarity between units	(n=85)	9.4	43.5	47.1

n=number of respondents

of tension between their locals and the National Office. The survey responses highlight the complex effects of workplace change on union organizations. Given the prevalence of workplace change and the often adverse effects of this change on workers, there are considerable new pressures coming to bear on both national and local levels of union leadership. This

suggests a growing awareness among unions of the need to assess their functions and activities to serve their members more effectively. In particular, what emerges from these union responses is an increasing onus on the importance of pro-active strategies in relation to workplace change.

Union Response to Change: Policies and Support Systems

When faced with workplace change initiatives by management, unions might plausibly simply accept or reject management proposals. The unreserved acceptance of such initiatives, without a proper analysis of costs and benefits, is fraught with risk for a local union. Not only are such initiatives, as we have seen, likely to produce adverse outcomes for members, but they might also erode both the unions' independent role in the workplace and the workers' confidence in their union. A simple rejection of such initiatives, however, is also very risky. It may raise the ire of the rank and file since workers are frequently lured into believing that workplace change can ensure future employment security and contribute to more challenging and satisfying jobs and a better work environment. An ideological stance of opposition and non-involvement may also generate feelings of anger and helplessness in local leadership and rank and file since the union is not able to provide the membership the help they desperately need to sort out useful and beneficial changes from changes that are harmful in the short or longer run. In other words, simple acceptance and simple rejection of workplace initiatives, whatever their often difficult consequences, are increasingly unpalatable options. That is undoubtedly why many unions are getting actively involved in the change process by developing their own agenda on workplace change, identifying the elements of change that will benefit membership and strengthen the union, and seeking to implant a support system to guide and coordinate the change process taking place at local level. Indeed, there is increasing evidence that both a pro-active stance and the availability of technical and ideological support are key dimensions of the local union's ability to play a strategic role in workplace change.⁸

Judging by the survey response, unions in Canada are responding pro-actively to the change process. A majority have developed policies on specific change initiatives, and instituted programs to analyse potential threats and opportunities, educate and train local leadership and membership and provide technical help in negotiations. A little over one-third of the unions have also developed a comprehensive policy and independent agenda on workplace change.

Table 6 shows that a majority of unions have formulated specific policies to ensure access to training and retraining opportunities and restrict or control contracting out and outsourcing. Nearly one-third to one-half of the unions surveyed have also established policies on employee involvement, flexible work/compressed week/job sharing, team concept or group work and labour adjustment. One-quarter of the unions have similarly developed responses to the popular Total Quality Management (TQM) initiatives. However, very few unions (12-13 per cent) have policies on such initiatives as telework, employee share ownership/group incentives and knowledge-based pay.

Table 7 presents the incidence of the array of support systems developed by unions to facilitate their effective involvement in the change process. Figures in Table 7 show that 71.1 per cent of unions surveyed conduct education programs or courses to train local leadership and rank and file membership on workplace change issues. (In some cases, according to 38.2 per cent of the survey respondents, these programs are partially funded by employers.) Nearly three-fourths (74.0 per cent) of the unions surveyed also report that their National Office provides technical help to locals in negotiating workplace change. One-third of the unions have even designated staff resources exclusively for dealing with workplace change issues. Similarly, over two-thirds (67.4 per cent) of the unions surveyed state that they conduct membership surveys to solicit member's views on problems, potential benefits, and impacts of workplace change on workers and their work environment. Nine out of ten union respondents indicated that the survey results are communicated back to members to raise awareness of threats and opportunities associated with workplace change.

Perhaps the most telling evidence of the pro-active union stance on workplace change is the survey finding that over one-third (38.6 per cent) of the unions surveyed have developed a comprehensive workplace change policy agenda to guide their local leadership and membership (Table 8). These 34 unions, of the 99 who responded to the survey, represent nearly 1.8 million workers, almost one-half of the union members in Canada and three-fourths of the total membership of the unions surveyed. Included among them are both private (19) and public (15) sector unions as well as small and larger unions. Based on

⁸ See, for example, Lévesque and Murray (1998), Frost (1997), Murray *et al.* (forthcoming).

Table 6
Unions Policies on Specific Workplace Change Initiatives

Does your union have specific policies on:		Yes	No
		(%)	(%)
Training/retraining	(n=73)	63.0	37.0
Contracting out/outsourcing	(n=73)	56.2	43.8
Employee involvement	(n=72)	47.2	52.8
Flexible work/compressed week/job sharing	(n=71)	40.8	59.2
Team concept/group work	(n=70)	35.7	64.3
Labour adjustment	(n=68)	35.3	64.7
Total quality management	(n=70)	25.7	74.3
Contracting in	(n=69)	23.2	76.8
Telework	(n=67)	13.4	86.6
Employee share ownership/ group incentives	(n=69)	13.0	87.0
Knowledge-based pay	(n=66)	12.1	87.9

n=number of respondents

Table 7
Union Support Systems on Workplace Change

		Yes	No
		(%)	(%)
Does your union conduct education programs/ courses on workplace change issues to train local leadership and rank and file membership?	(n=90)	71.1	28.9
If yes. Are these programs fully funded by employers?	(n=47)	2.1	97.9
If yes. Are these programs partially funded by employers?	(n=55)	38.2	61.8
In addition to education and training, does the National Office provide other technical help to locals in negotiating workplace change?	(n=77)	74.0	26.0
Has your union conducted membership survey(s) to solicit the members' views on problems, potential, impacts of workplace change on workers and their work environment?	(n=86)	67.4	32.6
If yes. Are the results of the survey(s) communicated back to members?	(n=59)	89.8	10.2
Has the union designated staff resources exclusively for workplace change?	(n=86)	34.9	65.1

n=number of respondents

Table 8
Incidence of Comprehensive Union Workplace Change Policy Agenda

		Yes (%)	No (%)
Has your union developed a comprehensive workplace change policy to guide local leadership and membership?	(n=88)	38.6	61.4
Was this policy adopted at the union convention?	(n=34)	61.8	38.2
Does the policy include detailed guidelines for locals?	(n=34)	53.1	46.9
Are locals obliged to follow these guidelines?	(n=34)	38.5	61.5

n=number of respondents

the survey results, it appears that private sector unions and those with large and diverse membership are more likely to have developed a comprehensive workplace change policy agenda than those in the public sector and smaller unions. The survey results indicate that development of a comprehensive workplace change agenda is a recent phenomenon; an overwhelming majority came about in the past five years. The survey also reveals that in over two-fifths of the unions, the policy agenda were adopted at the union convention, reflecting both the democratic traditions within unions and an attempt to ensure a wide dissemination of this policy. A majority of policy agenda include detailed guidelines for locals to help them negotiate workplace change that benefits the membership and strengthens the union. However, only 38.5 per cent of the unions that have a comprehensive policy agenda suggested that their locals were obliged to follow the guidelines. In the vast majority of the unions, locals remain autonomous and independent in their ability to negotiate workplace change.

The survey asked unions to identify the key elements of their workplace agenda. The survey responses reveal a number of common elements, cited by a majority of unions that have developed a comprehensive policy agenda on workplace change (Table 9). These include: a requirement for negotiated change through normal collective bargaining channels; a statement on the nature of the relationship with employers; the need for (a) greater union involvement in strategic business decision-making, (b) effective mechanisms for consultation and participation and (c) an expanded

union role in job redesign; and the union goals of improved health and safety, employment security guarantees, expanded training and retraining opportunities, and a safe and healthy work environment. Over one-third to two-fifths of the union agenda also make reference to information sharing on business matters, contingent compensation, the role and functions of group or team work and the use of consultants. Less than one-quarter of the unions include sharing of gains from increased productivity and quality of products and services as a key element of their agenda. There was no significant variation in elements of union agenda by sector except for improved health and safety which was cited as a key element by a much higher proportion of private sector unions. The elements of a comprehensive workplace change agenda, however, differed significantly by size of unions. Large unions with membership of 10,000 and over were more likely than smaller unions to include in their agenda a statement on the nature of their relationship with employers, and the need for improvement in the work environment, guarantees on employment security, mechanisms for consultation and participation and information sharing on business matters. Similarly, large unions were more likely to make reference to the role and functions of group or team work in their agenda than the small unions.

The survey also showed that unions with such comprehensive workplace change policy agenda, especially the larger unions, were more likely to have expanded support systems to guide and coordinate the activities of their locals. More specifically, a much

Table 9
Key Components of Unions' Workplace Change Policies (=34)

Does your policy statement include the following?	Yes (%)
Expanded training and retraining opportunities	76.5
Employment security guarantees	70.6
Union involvement in strategic decision-making	67.6
Mechanisms for consultation and participation	64.7
Statement on the nature of relationship with employers	64.7
Requirement for negotiated change through normal collective bargaining channels	58.8
Need for work environment improvements	58.8
Union role in job redesign	58.8
Improved health and safety	50.0
Information sharing on business matters	44.1
Position on contingent compensation	38.2
Role and functions of group work (e.g., team concept)	38.2
Position on the use of consultants	35.3
Sharing of gains from increased productivity and quality	23.5

n=number of respondents

higher proportion of unions with a comprehensive policy agenda conducted education and training programs on workplace change, provided technical assistance in negotiations, and had both formal mechanisms for rank and file communication and staff resources exclusively designated to deal with workplace change initiatives. It would appear that the more extensive resources associated with larger unions are an important factor in the development of more sophisticated and comprehensive workplace policy agenda.

Conclusions

The results of the recent HRDC survey of innovation and change in Canadian unions highlighted in this paper suggest that workplace change has had a significant impact on workers and their unions. The unions, rather than resisting change, have clearly preferred to get involved in the change process with a pro-active strategy that includes policies and programs to guide and coordinate the activities of their locals in negotiating positive changes that benefit their members and strengthen the union. The emergence of a comprehensive policy agenda on workplace

change and expanded programs of education and training, rank and file communication and technical assistance are indicative of trade unionists' desire to exert strategic control over the change process to ensure a safe, healthy, productive work environment with opportunities for training and retraining and an effective involvement in the management decision-making process.

However, the survey results show that pro-active union initiatives are limited, mainly confined to large unions with a diverse membership. The challenge facing unions, therefore, is to assure a wide diffusion of these pro-active policies and support systems and to place regulation and control of the workplace change process as an item of high priority at the bargaining table. A high priority on negotiating change is perhaps the most effective way to ensure consensus-based change and positive outcomes for workers. Unfortunately, despite the pro-active union stance, change in most workplaces continues to be implemented unilaterally by management without prior consultation with the union. Resource constraints and a concessionary bargaining environment are the major barriers limiting unions' ability to implement their workplace agenda effectively. Unions need to devise

ways and means to expand their resources on workplace change support systems, and study the feasibility of shared programs and activities in such areas as education and training to achieve economies of scale in the utilization of their resources. Unions may also have to explore new methods of bargaining,⁹ in particular the obligation to engage in continuous bargaining (possibly in the context of longer contracts)

and/or shorter contracts that allow ongoing discussion with management of change. Finally, to ensure that workers have a voice in the tremendous changes currently affecting their working environment and that positive social outcomes ensue from these workplace changes, serious consideration must be given to public policy changes that make consultation and participation in the workplace change process mandatory.

⁹ See Richardson (1998) and Smith (1995).

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MILLENNIUM BUG CAN AFFECT WORKPLACE SAFETY AND HEALTH

Occupational Safety and Health

Compliance and Regulatory Development Unit

Labour Operations

Labour Program, Human Resources Development Canada

Are you ready for the year 2000? More important, is all your technical equipment ready?

On January 1, 2000, every computer – and every computer chip – in the world, need to recognize that we are leaving the 1900's behind. Most computer chips, in your computers and elsewhere, may need to be reprogrammed. Ever since the introduction of computers, most coding for dates mainly used two digits to indicate the year. This design flaw means that computer chips may not distinguish whether 00 means 1900 or 2000, which may lead to possible shutdowns, inaccurate data and faulty calculations. Fixing the problem may be painstaking and labour intensive; not fixing it could be much, much worse.

Serious safety and health concerns are among the many concerns facing the employers, employees and governments worldwide. The Labour Program of Human Resources Development Canada recommends that you take time now to address this serious issue.

What Can Go Wrong?

Computer chips are embedded in all kinds of equipment. If you have machinery or production processes that are computer controlled, this equipment could fail or malfunction after 1999 turns to 2000. Many businesses have computerized information on hazardous materials. Will you be able to access that in the year 2000? What about computer chips programmed to print out routine maintenance messages? Will they work? or... Will a system component fail because it was not replaced in time? People could get hurt.

For example, a power generating station simulated changing the date for a boiler feed water control loop. The date change caused the feed water regulating valves to slam shut and initiated the boiler trip logic. If this had not been a test, the plant would have come to a screeching halt.

Another employer tested and found that the fire sprinkler system became nonoperational. Following its testing, a petroleum company realized its offshore rig would shut down because an embedded chip misunderstood the date change.

What You May Want to Evaluate...

- | | | |
|------------------------------------|-------------------------------------|-------------------------|
| • Controllers | • Air monitoring/control devices | • Security systems |
| • Detectors | • Radar/Global positioning systems | • Limit switches |
| • Alarm systems/buildings-vehicles | • Hazard communication databases | • Elevators |
| • Lighting systems | • Heating and air conditioning | • Generators |
| • Robots | • Underground storage tank monitors | • Communication systems |

What You Can Do

- Check every system to identify time-sensitive logic controls.
- Evaluate to determine whether computer chips can handle the date change.
- Fix or replace equipment that could cause problems.
- Verify that the updated systems work properly.

REGULATORY IMPACT ANALYSIS STATEMENT

(This statement is not part of the Regulations)

Occupational Safety and Health

Compliance and Regulatory Development Unit

Labour Operations

Labour Program, Human Resources Development Canada

Description

The Regulation on Diving Operations forms Part XVIII of the *Canada Occupational Safety and Health Regulations (COSH)*, which are made pursuant to the *Canada Labour Code*, Part II, the purpose of which is to prevent accidents and injuries arising out of, linked with, or occurring in the course of employment in the federal jurisdiction.

The impetus for this Regulation is an accident that claimed the lives of two divers working at the St. Lawrence Seaway. A subsequent coroner's inquest recommended regulation of diving operations as a preventative measure to maximize the divers' safety, and specifically, to reduce the risk of fatal accidents.

As a result, the Review Committee for the Technical Revision of the *COSH* at Human Resources Development Canada directed that a working group be formed to determine the best course of action. The tripartite working group, comprised of employer, employee and government representatives, examined

various alternatives, including regulatory and non-regulatory options. The working group agreed that a federal diving Regulation was needed, and consensus was reached on its content.

The Regulation will apply to all diving operations taking place under federal jurisdiction, except those subject to the following Regulations: the *Canada Oil and Gas Diving Regulations*, the *Nova Scotia Offshore Area Petroleum Diving Regulations* and the *Newfoundland Offshore Area Petroleum Diving Regulations*. Application of the Regulation includes diving operations conducted for the purposes of scientific research, criminal investigation, and underwater construction and inspection.

The new diving Regulation includes requirements relating to the training and medical certification of divers as well as procedures to be followed by employers and divers to meet recognized standards of operational and equipment safety in all aspects of diving operations.

SELECTION OF RECENT CHANGES IN CANADIAN LABOUR LAWS

Adopted Bills, Regulations and other Statutory Instruments

Michel Gauvin and Denis Dupont

Labour Law Analysis, Strategic Policy and Partnerships

Labour Program, Human Resources Development Canada

British Columbia: *Workers Compensation (Occupational Health and Safety) Amendment Act, 1998; Bill 14 Assented to July 30, 1998*

In response to the recommendations of the Royal Commission on Workers Compensation in British Columbia, this Act was adopted, among other things, to establish a new legislative framework for the regulation of occupational health and safety. Except as mentioned otherwise, its provisions will come into force on a date to be set by the provincial government.

That Act will add a new “Part 3 – Occupational Health and Safety” – to the *Workers Compensation Act*. That Part will apply to the provincial government and its agencies, and to every employer and worker whose health and safety are under provincial jurisdiction. However, Part 3 and the regulations will not apply in respect of mines to which the *Mines Act* applies, railways to which the *Railway Act* applies, or to the operation of industrial camps to the extent that they are covered by regulations under the *Health Act*. With respect to industrial camps, the Lieutenant Governor in Council may, by regulation, provide for the application of Part 3 and the regulations, which will prevail over the regulations under the *Health Act* in case of conflict.

The highlights of the *Act* are as follows:

- Responsibility for occupational health and safety will remain with the Workers' Compensation Board of British Columbia. However, both the Board and the Lieutenant Governor in Council will have regulation-making powers. (The provisions giving regulation-making powers to the Board took effect on September 1, 1998.)
- The purposes of the legislation, the mandate of the Board with respect to occupational health and safety, and the general duties of employers, workers, suppliers and other workplace parties will be set out in the *Act*.
- Joint employer/employee health and safety committees will be required in all workplaces with 20 or more employees (at present, this requirement applies only to workplaces classified as high-risk) and in those workplaces for which a joint committee is required by order. In addition, workplaces with ten to 19 employees and those ordered to do so by the Board will be required to have a worker health and safety representative selected from workers at the workplace who do not exercise managerial functions.
- Each member of a joint health and safety committee will be entitled to an annual paid educational leave totalling eight hours, or such longer period prescribed by regulation, for the purposes of attending occupational health and safety training courses conducted by or with the approval of the Board.
- The provisions dealing with the right to refuse unsafe work will be modified to provide that a worker may refuse to carry out work if he/she has reasonable grounds for believing that the work activities, the conditions of the work, or the conditions that would result if the work was done are such that there is or would be a significant risk that the worker or another person might be killed, or suffer serious injury or illness. The right to refuse will not apply if the refusal would directly endanger the health or safety of another person.
- An employer or union, or a person acting on behalf of either of them, will be prohibited from taking or threatening “discriminatory action”, which is broadly defined, against a worker for exercising any right or carrying out any duty in accordance with Part 3, the regulations or an applicable order, for testifying in the circumstances specified in the legislation, or for the reason that the worker has given any information relating to occupational health and safety to an employer or his/her

representative, another worker, a union representing a worker, or an officer or any other person concerned with the application of Part 3.

- A worker who considers that discriminatory action was taken or threatened against him/her or that an employer has failed to pay wages to him/her, as required by Part 3 or the regulations, may have the matter dealt with through the grievance procedure under a collective agreement, if any, or by complaint to the Board. In either case, the burden of proving that there has been no contravention of the legislation will be on the employer or the union, as applicable.
- The provisions dealing with persons who contravene Part 3, the regulations or an order will put in place a more direct and immediate penalty mechanism.
- The legislation will specify that a person is not guilty of an offence if it is proven that he/she exercised due diligence to prevent the commission of the offence.
- The legislation will give the Minister the power to appoint a committee to review all or part of Part 3 and the regulations and to report to him/her concerning its recommendations. Such a review will include a process of consultations with representatives of employers, workers and other affected persons.
- The Board will be required to undertake a process of ongoing review of and consultation on its regulations to ensure that they are consistent with current workplace practices, technological advances and other changes.

The *Workplace Act* will be repealed.

British Columbia: *Labour Relations Code Amendment Act, 1998*; Bill 26 Assented to July 30, 1998

This Act, which came into force on August 1, 1998, has brought changes to the rules governing labour relations in the construction industry.

One of the changes allows single-person single-person craft units where the Labour Relations Board determines that such a unit is an appropriate bargaining unit.

Other amendments add to the *Labour Relations Code* a new Part 4.1 dealing with Construction industry labour relations. Part 4.1 of the *Code* includes two divisions: Division 1 which contains general provisions relating to the construction industry, and Division 2 which provides for the establishment of multi-trade and multi-employer bargaining for the industrial, commercial and institutional (ICI) components of the construction industry.

The changes applying generally to the construction industry include the following:

- The “raiding” period during which employees can switch unions in the construction industry is July and August.
- To prevent jurisdictional disputes, a plan for resolving work assignment and other jurisdictional issues is considered to be part of every collective agreement negotiated for a craft bargaining unit in the construction industry.
- A construction industry collective agreement must be for a term of not more than three years (this applies generally, but not to a project collective agreement, which may be for a term that ends when the project is completed).
- A collective agreement entered into by a trade union and a construction employer as a result of the employer having recognized the union as the bargaining agent for a unit of employees has no effect until ratified by a majority of employees exercising their right to vote and until a copy is filed with the Labour Relations Board.
- One or more persons wishing to engage in a major project in the construction industry may apply to the Minister of Labour for the right to bargain collectively and enter into a project collective agreement for the duration of the project. If the Minister allows the establishment of a project collective agreement, the collective agreement negotiated by the parties for that project takes precedence over any other collective agreements.
- If a trade union agrees to modify the terms and conditions of a collective agreement for the purpose of enabling employers’ successful bidding of a contract, it must treat all employers bidding on the project in the same way.

The changes applying to the industrial, commercial and institutional (ICI) components of the construction industry include the following:

- A trade union representing employees in craft bargaining units in ICI construction must bargain collectively with the Construction Labour Relations Association (CLRA) of British Columbia with respect to unionized construction employees that the trade union represents in those units.
- Trade unions representing employees in craft bargaining units in ICI construction must establish a bargaining council for the purpose of negotiating collective agreements, including project collective agreements. Similarly, the CLRA is authorized to bargain on behalf of all unionized construction employers who have a bargaining relationship with a trade union representing employees in craft bargaining units within ICI construction.
- All of the collective bargaining rights, duties and obligations of building trades employers with respect to ICI construction are delegated to the CLRA.
- The parties to a collective agreement must make special collective agreement arrangements that they consider reasonable for newly unionized employers for the purpose of accommodating existing projects of those employers. If an employer disagrees with such arrangements, he/she may apply to the Labour Relations Board for a determination.
- Unless a legal lockout has continued for a period of 72 hours, the bargaining council may not declare or authorize a strike without the support of the majority of affected employees and trade unions. Similarly, unless a legal strike has continued for longer than 72 hours, the CLRA may not declare or authorize a lockout without the support of the majority of affected employers.
- A collective agreement negotiated between the bargaining council and the CLRA is for a three-year term calculated from May 1 of the first year in which the collective agreement is concluded. However, a project collective agreement may be for a term that ends when the project is completed.

Manitoba: *The Employment Standards Code and Consequential Amendments*; Bill 28 Assented to June 29, 1998

This new legislation replaces and brings together under one legislation *The Employment Standards Act*, *The Vacations with Pay Act* and *The Payment of Wages Act*. It will come into force by proclamation. The new legislation includes new provisions as follows:

- Vacation pay, for each week of annual vacation, will be calculated as two per cent of wages earned in the year of employment. Employees entitled to two weeks of annual vacation will receive four per cent of wages earned in the year of employment and those entitled to three weeks will receive six per cent. The *Vacations with Pay Act*, which will be replaced, provides that employees receive regular pay during the vacation period.
- The new *Code* stipulates that an employer will not be able to require an employee to take less than a week of vacation at a time.
- Employees will be allowed to take paid time off instead of overtime wages. Time off will normally be taken during the employees' regular hours within three months after the end of the pay period in which the overtime occurs. As it stands, the legislation does not provide for compensatory time off in case of overtime.
- Employees called in to work on a regular day off will receive as call in wages at least three hours at the regular rate of pay when working less than three hours, instead of three hours at the minimum wage rate.
- In case of insufficient notice of termination of employment by an employee, the employer will be able to file a complaint with the Employment Standards Office and exercise subsequent recourse to the Manitoba Labour Board and to the Manitoba Court of Appeal. This change extends to the employer the same redress procedure that now applies to employees.
- Orders of payment of wages, following a complaint for unpaid wages, will include the payment of administrative costs (the higher of \$100 or ten per cent of the wages, to a maximum of \$1,000) and the payment of interests, as prescribed, on the amount payable.

- When an employer fails to pay wages to an employee, the Director of Employment Standards will be able to take civil action to recover amounts from a third party indebted to the employer.
- Persons guilty of an offence under the *Code* will be liable to much higher fines: up to \$25,000 in the case of an employer that is a corporation, \$5,000 in the case of a director of a corporation or an employer that is an individual, and \$2,500 in the case of an employee. Currently, fines are comparatively much smaller, i.e., up to \$1,000 for a corporation under the *Payment of Wages Act*, or \$100 for an employee under the *Employment Standards Act*.
- The Director of Employment Standards will be able to "settle or compromise a difference between an employer and an employee" under the *Code*.
- The Minister of Labour will provide opportunity for consultation with employer and employee representatives, and other persons as appropriate, in respect of each proposed regulation.

YESTERDAY AND TOMORROW...

An Homage to Eileen Tallman Sufrin: Social and Union Activist, Labour Canada Colleague, Author and Woman of Vision

*Geoffrey Brennan, Legislative Consultant
Labour Standards Policy and Legislation
Labour Program, Human Resources Development Canada*

Eileen Tallman Sufrin is still remembered fondly by those who worked closely with her, either as a colleague at the Department of Labour or as a union activist of the first hour. She worked in the Legislation Research Branch in the late 1960s, where she was the author of "Labour Relations Legislation in Canada", the forerunner to today's "Industrial Relations Legislation in Canada", published on the Internet by the Labour Program. She later worked in the Economics and Research Branch, on studies for the Women's Bureau and the Federal Industries Division.

Eileen became active in the Co-operative Commonwealth Federation's (CCF) Youth Movement in the 1930s, where she acquired solid organisational skills. She became secretary of the CCF Trade Union Committee and worked actively in Ontario to gain support for new unions affiliated with the Congress of Industrial Organizations (CIO).

She became a full-time employee of the Canadian Labour Congress in 1956, the year it was founded. As secretary of the Office and Professional Workers Organizing Committee, her task was to help form a union of bank employees. She then served brief stints with the Steelworkers in Sault Ste-Marie, organizing munitions plant workers and office staff in steel mills, and in Vancouver, as the editor of a union newspaper.

In 1947, when Eileen was asked to come to Toronto to lead the Eaton Drive, she undertook what became one of the most remarkable chapters in Canadian labour history. This was a daring feat to attempt, for Eaton was Canada's largest department store. Not only were hundreds of trade union locals involved, but thousands of persons helped out with everything, including the vital task of distributing leaflets at all hours of the day, in all kinds of weather, from 1948 to 1952, the four years the campaign lasted.

By her own account, "...at 34, I was not ready to settle down, and the Eaton campaign presented an intriguing challenge". The Eaton Drive turned out to be much more than a challenge! It was long; her involvement spanning five and a-half years. It was spectacular; punctuated with legal battles on the scope of the bargaining unit. And it was eventually unsuccessful, despite preparations for a second certification vote in 1953.

Her book, *The Eaton Drive*, published in 1982, recounts the campaign step-by-step. It presents an honest assessment of the flaws in the campaign's strategy, and provides valuable insights to union organizers to this day. In addition, a careful analysis of why the drive wasn't successful in obtaining majority support from Eaton workers on the day of the vote, pointed to flaws with the legislative framework itself and resulted in changes to the *Ontario Labour Relations Act*.

The Eaton Drive ended in 1952 with the realization that, were it not for the lengthy delays in the certification process and the constant turnover of employees, a majority vote would likely have been obtained. Between 1947 and 1950, over 9,000 Eaton employees applied for membership with the union. When the vote was held, the union failed to obtain the majority, less 5,000, needed to win certification.

Nonetheless, retail and department store employees felt they had benefited in economic terms from the unionization efforts, receiving increased salaries and pensions. Moreover, improvements in scheduling of hours of work, were also reported to have resulted from the drive.

Eileen worked for the Canadian Labour Congress until 1957. She then obtained a Canada Council grant and studied Italian trade unions, all the while writing articles

for the Canadian labour press. She worked for the Government of Saskatchewan from 1959 to 1964, after which she returned to Toronto to become the editor of another union paper. In 1960, she married Bert Sufrin.

In 1967, Eileen Tallman Sufrin joined Labour Canada. Eileen's experience in the labour movement was put to use in obtaining a charter for Local 70263 under the National Component of the Public Service Alliance of Canada (PSAC) in January of 1972. The PSAC had been formed in 1966, but the Department's employees still adhered to Local 001 of the Economic Security Employees National Association (ESENA). She founded the ZIP in 1969, as an independent voice for reform of the set ways of the ESENA and to mobilize members around specific issues, including collective bargaining. She set the tone and showed the way. The local began holding its meetings at noon hour, on the employer's premises, following the example she had set for ZIP meetings. Meetings of the ESENA had been held after working hours and in a tavern, which made them difficult for women to attend. What seems a simple practice now, one that is taken for granted, was first adopted here and has spread to other federal government departments since.

Upon her retirement from the public service in 1972, Eileen Tallman Sufrin remained active in the New Democratic Party. In 1979, she received the Governor General's Persons Award, named after the famous "persons case", for her efforts to improve working conditions of Canadian women. Eileen's life's work and undaunted spirit continues to have a lasting impact. Her commitment to union democracy has inspired many generations of unionists. Eileen, now 85 years young, has settled down in Surrey, British Columbia, surrounded by many friends.

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